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THE TIMES

Selwyn Lloyd: Profile of a grand old man of politics, page 19

changes Ulster onvention ls again

State for Northern Ireland is er his main base from Stormont as part of changes planned to e recalled Ulster Convention to agree on an acceptable form nt for the province. A minister y in Ulster to handle day-to-day nanges are likely to include the ne elected advisory committees nt of the political vacuum in the to continue under a direct-rule

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port for such a move for some time from Mr Rees and his two Conservative predecessors, Mr Pym and Mr Whitelaw. All are known to have felt that the present arrangements cut them off too much from their political power base at Westminster.

The change in the position and base of the chief Ulster minister should make it easier for the Prime Minister to choose a suitable successor to Mr Rees, who this month completes two years in the job. After several false alarms, it is understood that Mr Wilson has recently guaranteed him a change in the near future.

Big changes are also expected in the extent of local government representation. It is likely that considerable efforts will be made to increase such representation and to establish some elected advisory committees to fill at least part of the political vacuum left by the absence of a regional government.

With the growing disillusionment among British MPs at the recent performance of Ulster politicians, the Government is aware there will be mounting pressure to cut the annual total of more than £400m of taxpayers' money now allocated to the province.

The amount of economic pressure imposed under the new form of direct rule will depend on how intransigent local politicians show themselves m be in the coming weeks.

Althoogh direct rule would be theoretically indefinite if the Convention fails, the Government is anxious that it should not be seen, in the words of e senior official, "as a never-ending desert without any way out". In fact, ministers and their advisers are known to be considering establishing another Convention in 12 to 18 months' time.

It is recognized thet by then some of the best known figures in Ulster politics will have retired from public life. Some would be sorely missed, but the prospect of new faces on the Convention benches is seen by officials as offering hope that the elusive compromise might be reached at the third attempt.

London march, page 2

Thieves escape with 119 Picasso paintings from Avignon palace

From Charles Hargrove

Paris, Feb 1

Thieves stole 119 paintings by Picasso from the Palais des Papes at Avignon last night. The missing pictures, paioted between 1971 and 1972, were part of a collection of 201 works —his last—donated by Picasso to the town of Avignon.

The stolen pictures—which were insured for a total of 10,897,000 francs (about £1,210,700), a sum distinctly inferior to their market value—had been exhibited since 1973 in the Great Hall of the palace chapel.

Two keepers on duty at the time of the theft were attacked and seriously injured. One is being treated for multiple fractures, and the other for injuries to the bead and stomach.

The Avignon police have few clues so far to guide them. Ooe of them is a small white van spotted by a tourist near the palace at the time of the theft.

The robbery was carried our with military precision, and was timed to coincide with the relief of the keepers at 9 pm.

According to M Malterre, aged 40, who was on duty wbeo the exhibition closed at 5.45 pm, there was nothing to report when he took a last look round. Three hours later, be left the Great Hall to go downstairs aod open the door to M Jacques Colas, aged 46, who was waiting at the main entrance on the square in front of the palace m begin his turn of night duty.

As he left the hall, M Malterre locked the door. But as soon as be stepped onto the landing he was set npon by three masked men carrying pistols. They forced him to go downstairs and open the door to M Colas, who was drugged inside. When M Colas tried to resist, be was struck several times with pistol butts.

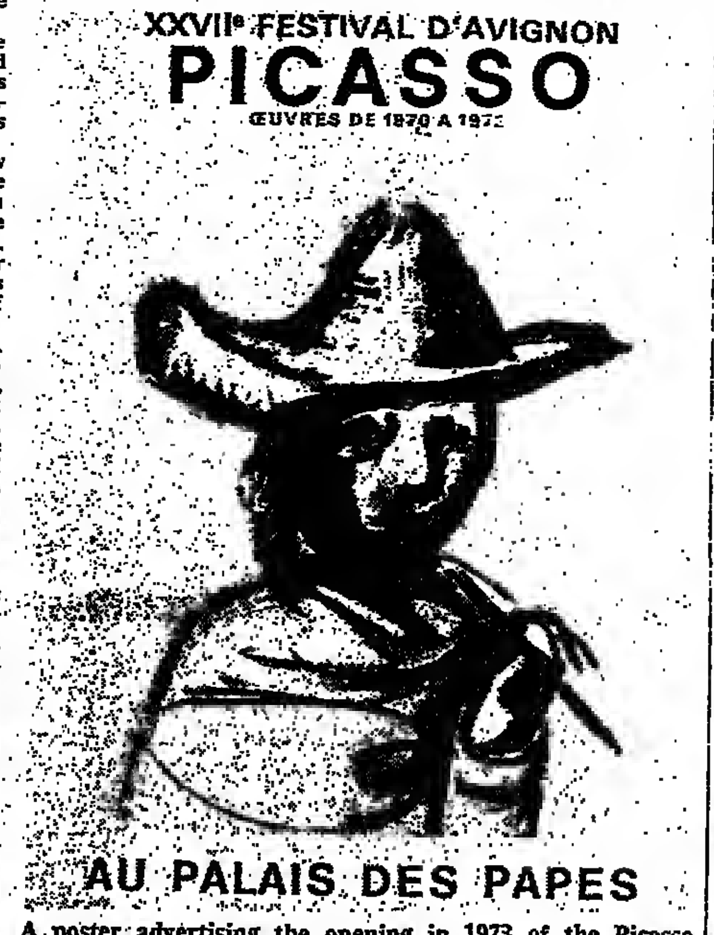
Both of the keepers were taken, gagged and bound, upstairs to the exhibition hall. Another keeper, who arrived soon afterwards by car at another entrance in an inner courtyard, was also attacked and taken upstairs.

The thieves were able to remove the paintings from the walls of the buge vaulted ball without fear of being disturbed. Some were too high for them to reach, but most were carried to e waiting vebicle in one of the inner courtyards of the palace. Seventeen paintings which they did not manage to take away were found lying about in corners of the stairs by the police.

The whole operation seems to have taken less than an hour. People living near the palace saw and heard nothing. It was not until 10.30 pm that one of the bound keepers managed to break loose and give the alarm.

The pictures are too well-known to be put up for sale openly. Like many other art thefts in recent years, this one was probably carried out for a private collector and the paintiogs will not come onto the art market.

A small fourteenth-century picture, "The Virgin and Child", attributed to a pupil of Giotto, was stolen this afternoon from the Louvre while the galleries were crowded with visitors. Police closed the doors and searched everyooe inside before letting them go.



A poster advertising the opening in 1973 of the Picasso exhibition at the Palais des Papes.

Mr Thorpe's position as Liberal chief seen as more secure

By Michael Hatfield
Political Staff

Mr Toorpe's position as leader of the Liberal Party is probably more secure in the short term as a result of events last week than at any time for months. That is the view of most senior Liberals, including some who feel that Mr Tborpe may have lost bis earlier inspiration as a leader.

That criticism has been levelled at him in the past but he survived the last test of confidence at the party's annual assembly in September, even if the leadership question was not entirely put to rest. Mr Thorpe has beeo leader of the Liberals for nearly nine years, and the party, like any other, is not short of ambitious politicians.

But the court case involving Mr Norman Scott has unified the party in support of Mr Thorpe, who bas denied Mr Scott's allegation about bis past relationship with the Liberal leader. However, whether the same response will be forthcoming from the party over Mr Thorpe's involvement in London and County Securities must remaio a matter of conjecture.

The Young Liberal Council at its meeting yesterday gave full support to Mr Thorpe io resisting the "receot slurs aod innuendos directed against him". But the council also agreed it was "disturbed at the lack of judgment by Mr Thorpe revealed by the London and County Securities report and instructs the officers of the Yoong Liberals to raise this matter immediately with the party leadership".

When the Department of Trade published the report of the inquiry into London and County Securities on Thursday, Mr Thorpe accepted its criticism that as a director of the bank be bad beeo guilty of a lack of jodgmeot io his dealings with the company's executives.

Some Liberals were saying yesterday that it was too early m diagnose what impact the London and County Securities report had had on the morale of the party and its standing in the country. Ooe of the first tests could well be in the by-elections due next month and the local government elections, although in both instances it would be wrong and misleading to relate the party's fortunes, whatever they may be, eotirely to the position of Mr Tborpe.

The by-elections are in two formerly Conservative seats, Sutton, Carshaltoo, and the Wirral, and one Labour seat, Coventry, North-west. The party is hoping for a large Liberal vote in the two Conservative seats although, it was stated last night, there are oo reliable criteria on which to base success or failure.

Although Mr Thorpe affirmed his intentioo at the Young Liberal Council on Saturday to remain leader for many years to come, there are some senior Liberals who believe he bad planned to retire withio the next two years, baving first prepared the way for his successor. Recent events are thought to have sbortened the time-scale.

He told the council: "I am proud today to appear before you as the leader of this party and so loog as it is the wish of my colleagues throughout the United Kingdom I have every intention of continuing io that positioo for many years to come."

Mr David Steel, former Liberal chief whip, said in a statemeot on Saturday: "In 1971 allegations were made by Mr Normao Scott against Mr Jeremy Tborpe. At Mr Tborpe's request Mr Emlyn Hooson, QC, Lord Byers, the most senior member of the parliamentary party, and I together interviewed the complainant.

"Scotland Yard was asked by them if they could assist. They informed the three parliamentarians after the inquiry that there was oo basis for any action or further interest on the part of the police. At the cooclusion of the inquiry, the Home Secretary (Mr Maudling) was fully

Continued on page 2, col 2

Jail where Socrates drank the hemlock

From Our Correspondent
Athens, Feb 1

A limestone building near the Agora, the ancient market place of Athens, has been identified as the jail where Socrates was given tbe poison bemlock to driok in 399 BC.

Mr Eugene Vanderpool, an American archaeologist, said in an Athens ioterview published today that be bad made the identification by comparing the topography of the building with the references to the prison in Plato's dialogues *Apology*, *Crito* and *Phaedo*.

Experts had known for long that the so-called "Prisoo of Socrates", a cave at the foot of Philopapos bill opposite the Acropolis, had never beeo used as a prison.

The limestone building was discovered several decades ago during the Agora excavatioos by the American school. It was found some 100 yards from the Agora's south-western edge and was called simply the "limestone buildings" because its use was not confidently established. It dated from the fifth century BC aod consisted of three structures.

Two of them faced each other across a corridor and had eight rooms on the two sides lioed up like prison cells. On the south side there was a courtyard surrounded by a wall.

A building to the north had probably two floors and four rooms. There was only one gate to tbe complex. Each cell measured about 200 sq ft and this conformed with descriptions.

Among the finds in the ruins there were 13 phials about 1in high. They seemed suitable for medicioe. Mr Vanderpool estimated that each phial could take two grams of bemlock which was given to the coovicts diluted in water.

The excavators had also found a statuette representing Socrates, probably an expression of the regret the Athenians had felt after they had put their philosopher to death.

Proposed nuclear deal 'would break treaty'

By Pearce Wright
Science Editor

A suggestion that the nuclear non-proliferation treaty would be broken by an agreement under negotiation for Britain to supply nuclear fuel and to carry out reprocessing work for Japan is made by Dr Sigvard Eklund, director general of the International Atomic Energy Agency, in a bulletin published by that organization. He outlines the way that and other developments would render the treaty worthless.

The arrangement between the United Kingdom and Japan, which would be worth more than £500m in the long term to British Nuclear Fuels, is the most imminent of several enormous deals which the nuclear technology countries are making with non-nuclear states.

Dr Eklund describes bow those transactions are driving a coach and borses through the non-proliferation treaty. The latest inventory by inspectors of his agency shows that the quantities of nuclear material under the international safeguards system include 6,300 kg of plutonium (less than 10 kg is needed for an atomic bomb), 3,650 tons of natural uranium and 53 tons of enriched uranium.

Although most of the countries exporting fuel, reactors, and equipment for processing nuclear materials have agreed on a "trigger" list of items that could aid the spread of technology for weapon development, there are reactors and materials not safeguarded by the international inspection system.

Dr Eklund says that the first priority must be to ensure universal application. While there are still unsafeguarded plants in operation, and while there is still a potential for others unsafeguarded to come into operation, there may not be much point in worrying about what can bappen io countries that have accepted safeguards through the non-proliferation treaty.

Nevertheless be is angered by attempts to discredit the system.

In his view the first step towards a solution is that all nuclear activities of a country supplying materials and equipment, and those activities of a state accepting nuclear aid, should be covered by safeguards.

In addition to agreements covering all activities in any country, Dr Eklund suggests regional centres for certain parts.

Government pensions index link may be cut

By Peter Hennessy

The Government is considering the possibility of substituting inflation-proofed public service pensions with an annual increase in line with whatever norm replaces the £6 pay limit next August.

Ministers are considering several options and no firm decisions will be taken before the summer. The Government is to announce pension increases for more than a million retired public servants next August, to take effect on December 1.

Under present arrangements the increase is determined by the movement of the Retail Price Index over a 12-month period up to the previous June.

Last year's increase reached the record level of 26.1 per cent. Beneficiaries included 360,000 former teachers and local government officers, 260,000 retired civil servants, 180,000 former members of the Armed Services, 110,000 retired National Health Service employees and 80,000 former police and firemen.

The principle of inflation-proofing public service pensions was established by the Pensions (Increase) Act, 1971. At that time the Government rejected the wishes of the Civil Service unions that increases sbould be tied to movements in the index of average earnings on the grounds that it would be too expensive.

Meanwhile, the Government is pressing on with its plans to make an 8 per cent reduction in the number of civil servants by 1978-79. Up to 35,000 jobs are expected to be affected, 10,000 of them in the Ministry of Defence.

No firm decisions will be taken before late spring

Unions seek talks, page 2

Crucial vote at Chrysler today

By R. W. Shakespeare

Striking Chrysler car workers at Linwood, near Glasgow, meet today to vote on a shop stewards' recommeodation that their unofficial stoppage sbould continue.

But the big question about the future of the American-owned motor company could become not simply whether the Government will carry out its threat to withhold further financial belp, but whether confideoce in the company's ability to push through its reorganization plans bas been eroded beyond the point at which the £162m rescue operation can be effected at all.

Yesterday Chrysler management appeared pessimistic about an early settlement despite further talks today under the sponsorship of the Advisory, Conciliation and Arbitration Service.

This follows the collapse of talks in Glasgow on Saturday, after which the stewards made it clear that they intended to press on with moves to continue the strike.

The proposal that emerged from Saturday's talks, at which ACAS officials were present, was that Linwood workers should be prepared to accept a "status quo" situation, pending further negotiations on new pay scales, which would take effect later this year. But this was not acceptable to the union representatives.

Mr John Carty, Chrysler shop stewards' leader, was "fairly optimistic" last night about a solution being found. He will miss today's meeting at Linwood so that be can take part in talks between national union leaders and Chrysler top management at the headquarters of ACAS in London.

The stoppage has halted all production at Linwood and now threatens to stop work at Chrysler's Ryton plant in Coventry and cause further cutbacks and lay-offs at the central engines factory at Stoke, Coventry, during this week.

One management spokesman said: "The situation is extremely serious. The settlement formula proposed in Saturday's talks seemed to us to be a sensible one but it was rejected by the shop stewards.

determination by them to be a to take the company on in what one of their spokesmen bas already described as a trial of strength.

The outcome of today's meeting of nearly 5,000 Linwood workers (more than 1,000 of the original labour force left this weekend under the voluntary redundancy scheme) will be crucial.

If they decide to support their 300 shop stewards, the Government will almost certainly stop payment of further public money, as Mr Varley, Secretary of State for Industry, indicated before the weekend.

Chrysler bas already received the first £12m of state aid aod it needs a second substantial instalment within the next few days to meet its commitments.

If the rescue deal falls through, Chrysler will be forced to close all of its British operations, with the loss of a further 17,000 jobs both in Scotland and the Midlands.

Mr John Riccardo, head of the parent Chrysler Corporation in the United States, bas already made it clear that the decision to remain in Britain was a reluctant one. The company wanted to hand over its British

Continued on page 2, col 4

Zambia silent on three detained Britons

Lusaka, Feb 1.—Three Britons, two journalists and a university lecturer, were believed to be still beld by the Zambian authorities today, although the Government has not yet officially admitted that they are in detention.

The three men are Mr Bruce Loudon, of *The Daily Telegraph*, Mr Stewart Dalby, of the *Financial Times*, and Dr Liooel Cliffe, a lecturer in political science ar Zambie University.

Dr Cliffe was arrested at his Lusaka bome on Saturday morning.—AP.

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Yard corruption inquiry nearing end

By Stewart Tendler

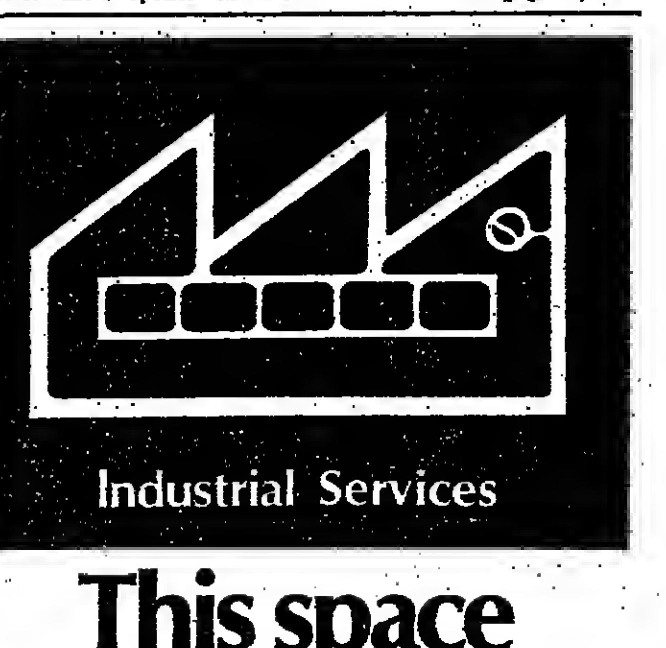
Results are expected shortly from an internal inquiry at Scotland Yard into allegations of corruption made by Mr James Humphreys, the former strip club and Soho bookshop owner.

The investigations bave been carried out by A10, the complaints and anticorruption department, and it is believed that at least three summonses are to be issued. A number of senior officers bave been investigated.

Mr Robin Corbett, Labour MP for Hemel Hempstead, intends to write to Mr Jenkins, the Home Secretary, to give Mr Jenkins a statement from Mr Humphreys alleging that the investigation bas been limited to police connexions with the pornography trade and not other corruption.

Mr Corbett said yesterday that if be was oot satisfied with Mr Jenkins's reply be would try to have a public tribunal inquire into the matter.

Last Wednesday Mr Corbett visited Mr Humphreys in prison, where be is serving an eight-year sentence for wounding his wife's former lover. He took a statement which claims that police officers took jewels worth nearly £1m as their sbare of a London bank robbery in 1971.



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British industry port opportunities tries and the lazy r goods on time, Mr Grant, Parlia- at the Ministry pment

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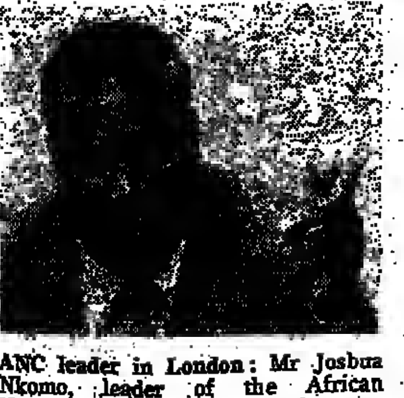

ANC leader in London: Mr Joshua Nkomo, leader of the African National Council in Rhodesia, seen above at a press conference in his London hotel shortly after arriving on an unexpected visit to Britain. Today be is to discuss with Mr Callaghan, the Foreign Secretary, the progress of his constitutional talks with the Rhodesian Government

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New university

Buckingham University takes in its first 75 students today. It is nine years since its foundation was first suggested in a letter to *The Times*. It will be completely free from control by the state and has been financed by private donations, including an anonymous one of £1m

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Historic political day for Spain

A congress of Spain's Christian Democrats in Madrid was notable because it was the first time that e democratic opposition group, theoretically illegal under the Franco regime, had gathered at national level. They bave given other opposition forces a lead

Page 3

Takeover in India

The Indian government has taken over direct control of the Tamil Nadu state after dismissing its government, which had been accused by the state Governor of corruption, abuse of power and disregarding the emergency regulations

Page 4

Cubans guard oil

While Cuban troops ensure that the oil-rich Cabinda enclave remains relatively unravaged by the Angola civil war, there are signs that the Gulf corporation may resume its operations there

Page 4

Prices policy hint

Whitehall officials are giving thought to the idea of replacing the Price Commission with a new state agency which would deal also with pay. The object is to monitor prices in a more flexible and less legalistic manner

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Tory opportunity: A Conservative MP sees in the present political situation a chance "to lift the party struggle out of the morass" 2

Show centre: The Queen is today to open the National Exhibition Centre at Bickenhill, near Birmingham, built at a cost of £50m 3

Rail management: "Thoroughbred railwaymen" should replace members of the British Railways Board, according to Mr Thomas Bradley, chairman of the Labour Party 3

New York: An appeal court finds that demands of a fair trial take precedence over those of a free press 4

Athens: Conference of Balkan states called by Greek Prime Minister seeks new basis for relationship 4

HOME NEWS

Unions seek talks on plan to cut 20,000 jobs in Civil Service

By Paul Routledge
Labour Editor

Civil Service union leaders have asked for early talks with Lord Shepherd, the Lord Privy Seal, to discuss government plans to phase out at least 20,00 Civil Service jobs over the next two years.

The unions have been given an outline of the Government's employment economy measures, which will be published in a White Paper on public expenditure later this month, but they want details of the Civil Service Department's confidential policy plans. The meeting may take place this week.

Meanwhile, the leader of the second largest union, the 100,000-member Institution of Professional Civil Servants, says today: "One thing is already clear—there will be substantial cuts in the Civil Service and associated employment".

Writing in the February issue of his union's journal, *State Service*, Mr William McCall, general secretary of the IPCS, says: "We will undoubtedly have a hard fight to avoid redundancies. This must be our first objective.

"The Government is entitled to seek our cooperation in ensuring the most efficient conduct of public business. We are entitled to have the cooperation of government and management in ensuring that all possible steps are taken to avoid people being dismissed against their will, if that is capable of attainment."

Mr McCall admits that "all possible steps" will involve a readiness to stop recruitment, and to seek volunteers for premature retirement, as well as agreement to deploy staff from areas where there is a surplus.

He also gives a warning against "the inevitable temptation for any government to consider cutting out work which has a less immediate impact on the public". That must not be the sole criterion on which the cuts were made, and Mr McCall pledges a campaign "against any disproportionate attack on research and development which would have profoundly adverse effects in the longer term".

But the union opposition to redundancies must not be turned into a general campaign against the Government's counter-inflation strategy, he argues. "It is entirely understandable that with unemployment continuing to mount, there should be reactions against any further cuts in government expenditure and demands for the Government to take action to stimulate the domestic economy.

"If progress is to be made in solving the economic crisis in the foreseeable future, however, this must be done in such a way as not to damage the drive for higher investment and higher exports."

Mr McCall insists: "It is thus no answer to the forthcoming cuts in public expenditure to say that if they go ahead, we will oppose further stages of incomes policy. If this stage of incomes policy fails—and so far it is succeeding remarkably well—and if there is no agreement on a second stage of incomes policy, the cuts in public expenditure will be far greater.

'Slouches' in industry who miss export opportunities

By Our Political Staff

The "slouches and the lazy" in British industry were criticized last night by Mr Grant, Parliamentary Secretary at the Ministry of Overseas Development, for failing to grasp the opportunities for export orders that were clearly available in developing countries.

Mr Grant said in a statement that he was not criticizing British industry's overall export performance, particularly just now when a big export effort was being made, "but the efficient operation of the aid programme has undoubtedly been hampered by a sizable soft under-belly in British industry".

There had been apathy in tackling particular developing markets despite the possible long-term advantages and meanwhile other countries had moved in, he said. In 16 months at the ministry Mr Grant has visited nearly 20 countries.

"We have lost out in some of these areas despite the fact that the countries concerned would gladly buy British if they could get the goods, and could get them on time, because they do find our products reliable in performance", he said. "We are technologically in the vanguard, yet we are not cashing in sufficiently."

Mr Grant said: "Not everyone realizes that a large proportion of our aid is strictly tied to British goods and services, so there is a considerable potential there which should be exploited."

He said things should be better "now that British Leyland is under new management", but that although the Land-Rover was Britain's best export in developing countries, in many places it could not be obtained or spares were not available.

"This is a tough, competitive market and in some countries inferior vehicles are appearing where the foreign manufacturers are prepared to deliver on time and provide back-up services", he said.

Mr Grant gave several examples of quoted delivery dates for machine tools, tipper trucks and electricity supply equipment being missed for up to 19 months and said those instances almost certainly disclosed "merely the tip of the iceberg".

When there is no longer real uncertainty about wage inflation because of the success of the counter-inflation policy the time for excuses has passed.

MP sees 'a chance to lift politics from morass'

By Our Political Staff

An opportunity now existed to lift the British party political struggle out of the morass in which it floundered and on to a more constructive and fruitful plain, Mr David Howell, an Opposition spokesman on Treasury and economic affairs, writes in a pamphlet.

Mr Howell, MP for Guildford, says that the failure of the traditional democratic socialist policies in Britain had led to major turmoil on the left. The retreat from traditional Keynesian ground found the socialist "camp" in Britain in severe disorder.

The implications of the socialist crisis touched us all, Mr Howell says. The initiative and the responsibility for the development of new ideas to meet the crisis thus passed to those on the non-socialist side, which in British politics meant predominantly to the modern Conservative Party, a party which was already rightly on the move away from the now discredited terrain of postwar policies.

A good starting point in considering the new Conservative direction was to recognize that today's Conservative Party was a party of the masses with a vast natural majority potentially on its side.

People no longer wanted to be treated as "the masses" but as individual human beings, lorded over by neither the state, the community, the will of the people nor any "other figleaf phrase to disguise the reality of party political and bureaucratic power".

The crisis of socialism meant that that need could not be met by the left in the context of a free society. Conservatism could meet it, although mighty changes would be needed. New ground would have to be defined so as to attract not merely the traditional Conservative support but also the support of millions of Liberal and Labour adherents.

It would need to offer a far wider spread of ownership and wealth among working people of Britain than anything contemplated by left or right so far. It would have to offer a deeper and more genuine industrial democracy than anything that could be held out by narrow plans for participation by the trade union hierarchy alone.

It would need to offer far greater opportunity for cooperative endeavour. It would have to offer a wider measure of equality of opportunity than anything held out by the most dedicated egalitarian, and a wider measure of economic and social freedom and a greater concern for human dignity than anything promised by the socialist planners.

Mr Howell says that if that route was followed then there was a fair chance that worker capitalism and, where desirable, worker cooperation, could be established as a vastly more democratic force than any kind of worker socialism, imposed as it must inevitably be by an increasingly authoritarian regime.

**Time to Move On: An opening to the Future of British Politics*, David Howell (Conservative Political Centre, 50p).

Dream of a seat of learning free from state control comes true after nine years

Buckingham University takes its first students today

By Peter Scott

The University College at Buckingham receives its first students today, almost nine years after the idea of an independent university, entirely free from state control, was first put forward in a letter to *The Times*, so confounding both the scepticism of its friends and the hostility of its enemies.

The 75 students—who will study law or economics, or law, economics and politics jointly for two years, and receive a licence rather than a degree at the end of the course—will attend their first lectures tomorrow. About a third are over 25 and another third from overseas. Nigerians are the largest group after the British. The majority of the British students attended independent schools, in which the college, for the first year at least, concentrated its recruiting effort.

Professor Max Beloff, principal of the college, has been pleasantly surprised by the academic quality of this first intake. The first 60 students accepted had gained between them 135 A level passes—an average of more than two and a quarter per student. Their average grade was C plus.

More than two-thirds of the college's first students will read law, so it has been helped by the national shortage of places in higher education to read law, and the high entry standards that are a consequence. Professor A. J. Brook, from Reading University who will teach for one day a week at Buckingham, also explained that some students came from a social background which made the college seem more attractive to them than a large urban polytechnic.

The idea of an independent university was controversial from its birth. Among its early supporters were academics, economists and politicians who believed in the virtue of private enterprise in education, and others in higher education who were concerned by the apparent erosion of university autonomy during the 1960s.

These early enthusiasts for an independent university experienced great difficulty in translating their idea into practice. Their first principal designate, Dr Bryan Thwaites, of Westfield College, London, resigned because of his doubts about the financial viability of the project. Donations from industry and individuals came in sluggishly. Only two exceptionally generous gifts, one for £1m from an anonymous donor and the other of the price of the eight-acre site in Buckingham which the college now occupies, enabled the project to proceed.

The university badge.

Because of these difficulties Buckingham is much closer to the pattern of a liberal arts college than of the fully fledged university which the original planners of the independent university had envisaged. Professor Beloff admitted that Buckingham's academic scope was more restricted than originally hoped. However, next year they planned to introduce another course—history, English and politics. Further courses in philosophy, European studies (including languages) and, possibly mathematics, were also envisaged.

Although Buckingham has no plans in the foreseeable future to introduce a fully blown science course, every student will have to attend two hours of lectures in the life sciences and spend two further hours in the laboratory each week. They will also have to study some mathematics.

Apart from the problem of attracting well qualified students, Buckingham has faced two major difficulties in the long years of gestation—financial viability and academic credibility. A fresh appeal for money will be launched shortly to improve the college's inadequate endowment. The current target is for a college of between 500 and 600 students in 1980, but the present buildings will accommodate only about 200.

Professor Beloff also believes that the college must offer a reasonable number of scholarships to ensure that the present quality of students is maintained. Otherwise prospective students who cannot afford the present fees of more than £1,500 a year, on top of which must be added the cost of living in Buckingham for the 40-week academic year, would be barred. This year the college has agreed to pay about £7,000 in scholarships to 30 students.

The academic prospects of Buckingham now appear much brighter. Professor Beloff is worried now that the coll[…] inability to award deg[…] either by means of a R[…] Charter or under the aus[…] of the Council for Nat[…] Academic Awards, will […] to be a serious disability. [The] college's licences have alr[…] been accepted as the equiva[…] of a degree by the legal pro[…]sion and the Institute of C[…]tered Secretaries. Negotia[…] with the chartered accoun[…] are well advanced. Most un[…]sities have also agreed no[…] discriminate against Buc[…]ham licentiates in consid[…] applications for postgra[…] courses.

Two years ago the co[…] applied to the CNAA for v[…]tion of its courses. How[…] agreement could not be re[…] because among other re[…] the proposed course at Bu[…]ham was for only two […] of four terms rather than […] usual three years of three t[…]

"We are never going ba[…] the CNAA", Professor B[…] explained. "Our own qual[…]tion will be as good as tho[…] the CNAA and in some res[…] better. I think we shall be [con]tent with the licence instea[…] the degree until we are [in a] position to apply for our […] charter in five or seven y[…] time."

A scuffle in London yesterday at the Troops Out Movement's demonstration.

Anti-IRA crowd clash with police

Anti-IRA demonstrators clashed with police yesterday as National Party members were prevented by a cordon of policemen from reaching about 1,500 people who were preparing to take part in a rally organized in London by the Troops Out movement.

Later, police said four people had been charged with threatening behaviour.

The Troops Out demonstrators, who want the British Army to leave Ulster, were gathering on Shepherd's Bush Green before marching to a rally in Portobello Square to mark the fourth anniversary of Londonderry's Bloody Sunday.

On the way they passed the Ladbroke Square home of Mr Jenkins, the Home Secretary, observing as they [did] so a short silence as a mark of respect for Frank Stagg, the IRA hunger striker in Wakefield prison. . .

Mr Stagg was said yesterday by the Home Office to be "weak".

Christopher Walker writes from Belfast: Troops were stoned by a crowd of more than 200 Roman Catholic youths in Londonderry yesterday after the end of a peaceful march commemorating Bloody Sunday.

The trouble began soon after 2,000 marchers had finished their procession from a field in the Creggan area to the place in the Bogside where 13 civilians were shot dead by British soldiers on January 30, 1972.

On Saturday the Army had its worst confrontation with "loyalists" for many months. The incident happened in Shankill Road after patrolling troops shot dead Mr Hugh Woodside, aged 52, a Protestant, in the Long Bar, a favourite haunt of the Protestant paramilitary groups.

The Army said Mr Woodside was shot after a foot patrol checking the premises was attacked by men, some wielding broken bottles. The soldiers had issued warnings before opening fire.

After the shooting crowds hijacked vehicles and blockaded neighbouring roads. A military police patrol and an RUC patrol was shot at.

The security forces withdrew until the area quietened down early yesterday.

Oil-state contracts for British doctors

By a Staff Reporter

British doctors are to be offered short-term contracts in the oil states of the Middle East to help to set up hospitals and train staff. The scheme was worked out during a recent tour of the area by Mrs Castle, Secretary of State for Social Services.

The first group of five doctors will be going to Kuwait in April and the other countries involved are Saudi Arabia and Iran. Arrangements have also been made for postgraduate medical students from the Middle East to receive training in British hospitals.

A draft circular outlining the scheme has been sent to the joint consultants' committee, and regional health authorities will be getting the details shortly.

The Department of Health emphasized that the number of doctors going abroad would be "tens rather than hundreds" and that they would be carefully chosen so that there was no weakening of the health service. The main reason for the scheme was to support the export trade and help British firms to win contracts for building hospitals and supplying drugs.

The doctors, mostly consultants, will work abroad on secondment from the health service for two or three years, and in some cases much shorter periods. When their time expires they will be able to return to Britain without loss of career prospects or pension rights.

The British Medical Association said the scheme appeared to change the normal procedure for filling appointments abroad, which was by direct medical contact or open advertisement. They would expect any char[…] to be the basis for consulta[…]

Pay bed plans: The Gov[ern]ment's plans for phasing [out] pay beds from National He[alth] Service hospitals will be [re]sisted by leaders of the Nati[onal] Union of Public Emplo[yees] when they meet Mrs Ca[stle] next week (our Labour S[…] writes).

The executive of the 560,[000]-strong union claim that [the] plan as now envisaged w[ould] take too long, with no gua[ran]tee that all the beds w[ould] eventually disappear.

At present it is the inte[ntion] to phase out 1,000 private [beds] within six months of legisl[ation] being passed, with the fa[te of] the remaining 3,300 beds […] decided by an indepe[ndent] board.

Ballot mix-up: Some ho[spital] consultants have not been [able] to cast their votes ove[r the] pay beds issue because [of a] mix-up in ballot papers [the] British Medical Assoc[iation] says today (the Press As[socia]tion reports).

A supplementary ballot [for] the consultants left out of [the] original voting is being [orga]nized, and the results wil[l be] announced with those of [the] main ballot on February 12. [The] BMA is investigating the [mix-]up.

The 11,000 consultants [are] being asked whether [they] would accept the Governm[ent's] compromise proposals o[n] phasing out of pay be[ds or] be prepared to hand in resignations from the N[ational] Health Service.

Dr David Gullick, und[er-sec]retary of the BMA, said re[ports] were still coming in that consultants had not been [able] to vote on the issue despite [the] closing date having passe[d].

Seven ways to make British goods better

By John Groser
Consumer Affairs Correspondent

A suggested [illegible] of goods made in Britain is to be presented to the National Economic Development Council at its meeting on Wednesday by Mr Michael Young, chairman of the National Consumer Council and a member of NEDC.

Mr Young has a seven-point plan to make British goods better value for money. His view is that jobs depend on consumers, "on British consumers who have the choice between home and foreign goods and are often forced to choose foreign", he says in a paper circulated to NEDC members.

"Goods must be better value for money", he adds, "reasonably priced, safer, more durable, more reliable, better serviced and delivered at the time and the place the consumer wants. All attempts to solve Britain's economic problems so far have neglected the needs and the importance of the consumer."

The seven-point plan contains proposals for better servicing, for better consumer advice and for consumer action by trade unions. It suggests better marketing abroad, as well as better marketing at home, the better use of public buying strength and the use of consumer protection laws.

Mr Young concludes: "Whatever the Government's overall economic strategy, it will come to nothing unless the goods that industry is capable of producing can be sold at home and abroad. There will only be safe jobs and a higher standard of living if British trade unions and employers take the consumer interest seriously in order to produce better goods."

European left to meet in Britain

The Socialist Group in the European Parliament, including British Labour MPs, is to hold a policy meeting in Newcastle from May 25 to 27, when direct elections to the Parliament will be on the agenda.

The French Socialist Party has criticized the Tindemanns report on direct elections, and probably has the support of the Italians. The West German, Dutch and Danish social democratic parties are sympathetic to the proposals.

Bail plan worries probation officers

By Peter Evans
Home Affairs Correspondent

The hopes of Mr Jenkins, the Home Secretary, for an experimental scheme to improve chances of bail being granted have been frustrated.

Although the idea is welcomed in principle, the National Association of Probation Officers and magistrates' court staff are against too close involvement in its administration.

The scheme, which is being tried out at Camberwell Green, London, seeks to provide the courts with verified information on defendants requesting bail. The information is obtained through a questionnaire and other forms.

The probation officers, in a policy document to be published today, say the Home Office seems satisfied that, on the basis of a few months' trial, the probation service as a whole should be encouraged to set up similar schemes.

But obtaining and verifying information should not be carried out by employees of the probation service, the document says, because they would be in danger of being too clearly identified [illegible] might well precipitate difficulties with the prosecution and the police.

Further, if the service were involved in any decision about custody it would make any future professional relationship with the people in question difficult.

The probation service was a social work service to the courts and within the penal field, but the bail scheme, as outlined in a Home Office circular, clearly involved an administrative task.

Mr Colin Geeves, national secretary of the Association of Magisterial Officers, said it had strongly opposed the questionnaire.

To complete it would mean that court staff would have to "enter the arena", something the High Court had said they should not do. The association represents all magistrates' court staff, except clerks to the justices.

The Justices' Clerks Society also has strong reservations about the expansion of the scheme, although it too welcomes [illegible] any move for information which might affect a bail decision being made available to the court.

But, as with too many projects suitable for London, it was being shoved upon the provinces without it being realized that their needs might be different, Mr Patrick Halnan, the society's secretary, said.

In small communities with a settled population the information on which a bail decision could be based was likely to be known anyway. In larger communities, duty solicitors at magistrates' courts could gather the information.

The Camberwell experiment began last March as prison overcrowding increased. Whereas the daily average of convicted people in prison rose by 17 per cent between 1964 and 1974, the total of those held in custody before trial rose, on daily average, by 157 per cent. The scheme is a development of a project carried out in the United States.

Mr Thorpe intends staying leader 'for many years'

Continued from Page 1

informed by Mr Thorpe of these events."

Scott 'fixation': The former wife of Mr Norman Scott said yesterday that Mr Scott had had "a fixation" about the Liberal leader.

In a statement to the Press Association, Miss Susan Myers said: "It is ludicrous that he can say these things. He has a history of mental illness and a tendency to distort and wildly exaggerate things."

Miss Myers, who has since remarried but uses her maiden name, added: "I knew Norman for two years. There were times when I discovered he had told deliberate lies and before our marriage ended he had to seek the help of a psychiatrist."

She had never met the Liberal leader but, she said, "I feel terribly sorry that Mr Thorpe should be subjected to this extraordinary story. It is ludicrous and grossly unfair".

She added: "I hope Jeremy Thorpe does not feel he is under pressure to resign just because of what he feels people might think". Miss Myers said she had rejected an offer of £500 from a Sunday newspaper and had "half of Fleet Street pestering me". She added: "I will not be bribed. I just want to be left alone now".

Mr William Molloy, Labour MP for Ealing, north, said in a statement on Saturday about Mr Scott's remarks in court: "What has happened to Mr Thorpe does no credit to any aspect of our public affairs".

Politicians and the media were in difficulties when unsubstantiated statements were made in courts.

Trevor Fishlock writes: Mr Norman Scott is expected to be a witness in a Devon court hearing this week in which Mr Andrew Gino Newton, aged 29, an airline pilot of Abingdon Road, Chiswick, London, is accused of possessing a Mauser pistol and ammunition, with intent to endanger life. He was remanded on December 19 on £50 bail and the hearing at Minehead was adjourned until next Friday, February 6.

It now seems likely that the defence will ask on Friday for a further adjournment until February 20 and that the prosecution will agree.

Leading article, page 17

Scottish pair keep their bridge lead

By Our Bridge Correspondent

After 11 rounds of *The Sunday Times* international bridge pairs championship, played over a long weekend in London, the youngest competitors, B. Shenkin and M. Rosenberg, the Scottish internationals and reserve pair for Britain in the Olympiad, retained their lead over J. Frydrich and E. Shaufel, of Israel, by a 15—5 win over the former world champions, B. Schapiro and M. D'Alelio.

R. A. Priday and C. Rodrigue, each winners in previous years with different partners, made a strong spurt in beating their British team members by 20—0 to go into third place. Five rounds remain to be played in this championship, which has become the leading event in *Europe*.

Scores after 11 rounds: 1. Shenkin and M. Rosenberg (Scotland), 135; 2. F. Frydrich and E. Shaufel (Israel), 130; 3. R. A. Priday and C. Rodrigue (England), 129; 4. J. Ortiz Patino and P. Bernasconi (Switzerland), 127; 5. L. Trinter and L. Yallouze (France), 125; 6. Omar Sharif and C. Mari (France), 121; 7. B. Schapiro (England) and M. D'Alelio (Italy), 119; 8. S. Stayman and M. Cranoveller (US), 107; 9. S. Möller and S. Werdelin (Denmark), 105.

'Empty homes' letter is withdrawn

By John Young
Planning Reporter

Lewisham council, London, has withdrawn a circular letter which last year was delivered to several houses assumed to be empty. Its action follows complaints from residents, including a family who returned from a three-week holiday to find a copy on their doormat.

The letter stated:

From an outward inspection this house seems to be empty. . . . I have arranged for this letter to be left at the house because we have not so far been able to find out your name and address or indeed whether or not you are living in the house.

If you are the owner of this property and willing to enter into negotiation for its sale to the council, perhaps you would be good enough to complete and return to me the enclosed form. However, if you do not wish to sell the property will you please inform me of your proposals for it and when it is likely to be reoccupied.

It may be that it will be some days or even weeks before you see this letter and in the meantime compulsory purchase procedure could have started it.

A Lewisham official said that since March, 1974, the council had passed 71 compulsory purchase resolutions, but had made only two purchase orders. Its normal practice, in the case of an apparently empty house, was to make inquiries through its own departments and from estate agents and neighbours. In the case of the family in question, the council had apologized.

He agreed that the council at present owned 485 empty houses, of which 201 had been empty for more than a year.

A Department of the Environment official commented that, within the latest constraints on public expenditure, local authorities were free to pursue their housing programmes. He had not heard of any other authorities using the same method as Lewisham.

Nalgo urges TUC pay conference

The executive of the National and Local Government Officers Association (Nalgo) decided on Saturday to urge the TUC to call a conference of trade union executives in April, to decide on pay policy.

Tory call for industrial recovery plan

Mr Jenkins, the Home Secretary, should be appointed to lead a Cabinet committee of state charged with industrial recovery, Mr Michael Heseltine told the Scottish conference of the Federation of Conservative Students in Fife on Saturday.

Only Mr Jenkins had the experience and integrity to command the trust "of an audience wider than the Labour Party's drastically eroded power base. In a Cabinet of moral and political pygmies, Mr Jenkins, whatever his faults, has some stature", Mr Heseltine, Conservative spokesman on industry, said.

He called for the formation of a committee of state.

The committee should meet weekly, and include ministers responsible for trade, employment, industry, energy, consumer affairs and prices, and the Chancellor.

"Instead of merely reacting to crises and pursuing their own departmental briefs, so that for example Shirley Williams is destroying the jobs that Eric Varley is attempting to create, the single central theme of switching our resources into profit-earning and job-creat[ing] investment must dominate other decisions in Whitehal[l]", he said.

While the developed wo[rld] was showing signs of recove[ry] for Britain the worst was [yet] to come. "Official forec[asts] show that manufacturing inv[est]ment will fall so heavily [this] year that it will reach the l[evel] of the early 1960s", he said.

"The characteristic preo[ccu]pation of British Socialists w[ith] theoretical planning for a n[ew] Jerusalem at some unspecif[ied] period in the future is a luxu[ry] which we can no longer affor[d."]

Weather forecast and recordings

Today

Sun rises: 7.39 am. Sun sets: 4.50 pm
Moon rises: 8.4 am. Moon sets: 7.45 pm
First quarter: February 8.

Lighting up: 5.20 pm to 7.7 am.

High water: London Bridge, 3.0 am, 7.1m (23.3ft); 3.24 pm, 7.3m (23.8ft). Avonmouth, 8.32 am, 13.5m (44.2ft); 8.48 pm, 13.1m (43.0ft). Dover, 12.2 am, 6.8m (22.4ft); 12.19 pm, 6.6m (21.8ft). Hull, 7.33 am, 7.0m (23.0ft); 7.32 pm, 7.3m (23.8ft). Liverpool, 12.19 am, 8.9m (29.3ft); 12.32 pm, 9.3m (30.6ft).

An anticyclone near Shetland is maintaining a cold E airflow over the United Kingdom.

Area forecasts:

London, SE, central S, E, central N England, East Anglia, Midlands: Rather cloudy, occasional light snow; wind E, moderate or fresh; max temp 0°C (32°F).

Channel Islands, SW, NW England, Wales, Lake District, Isle of Man, SW, NW Scotland, Glasgow, Argyll, N Ireland: Rather cloudy, sunny intervals; wind SE, light or moderate; max temp 2°C (36°F).

NE England, Borders, Edinburgh, Dundee, Aberdeen, central Highlands, Moray Firth, NE Scotland, Orkney, Shetland: Rather cloudy, mainly dry; wind SE, light or moderate; max temp 4°C (39°F).

Outlook for tomorrow and Wednesday: Cold, widespread night frost, snow showers, perhaps rain or sleet in N Scotland.

Saturday

London: Temp: max 6 am to 6 pm, 0°C (32°F); min 6 pm to 6 am, −2°C (28°F). Humidity 6 pm, 78 per cent. Rain, 24hr to 6 pm, a trace. Sun, 24hr to 6 pm, nil. Bar, mean sea level, 6 pm, 1009.8 millibars, rising.
1,000 millibars=29.53in.

Yesterday

London: Temp: max 6 am to 6 pm, 0°C (32°F); min 6 pm to 6 am, −1°C (30°F). Humidity 6 pm, 87 per cent. Rain, 24hr to 6 pm, 0.01in. Sun 24hr to 6 pm, nil. Bar, mean sea level, 6 pm, 1,009.8 millibars, steady.

WEATHER REPORTS YESTERDAY MIDDAY: c, cloud; f, fair; r, rain; s, sun; sn, snow.

		C	F			C	F			C	F			C	F
Amsterdam	s	-7	19	Copenhgn	s	-1	30	Locarno	f	1	34	Nice	c	9	48
Athens	s	17	63	Dublin	c	3	37	London	s	0	32	Oslo	c	-6	21
Barcelona	s	9	48	Edinburgh	c	3	37	Luxembrg	c	-2	28	Paris	sn	-2	28
Beirut	f	16	61	Funchal	s	17	63	Madrid	s	8	46	Reykjavik	r	1	34
Belfast	c	2	36	Geneva	sn	-1	30	Majorca	f	12	54	Rome	c	13	55
Berlin	s	-2	28	Gibraltar	s	12	54	Malaga	f	12	54	Ronldswy	c	2	36
Biarritz	c	8	46	Guernsey	c	2	36	Malta	f	15	59	Stockholm	c	-5	23
Birmghm	c	0	32	Helsinki	s	-14	7	Manchestr	f	1	34	Tel Aviv	c	16	61
Bristol	sn	-1	30	Innsbruck	s	2	36	Moscow	s	-11	12	Venice	c	3	37
Brussels	s	-4	25	Istanbul	c	8	46	Munich	fog	-7	19	Vienna	c	-5	23
Budapest	c	-5	23	Jersey	c	3	37	Naples	c	11	52	Warsaw	c	-5	23
Cardiff	sn	-1	30	L Palmas	s	20	68	New York	f	6	43	Zurich	c	-4	25
Cologne	c	-3	27	Lisbon	f	11	52								

Overseas selling prices
Austria, Sch 15; Belgium, Bfr [illegible]; Canaries, Pes 30; Denmark, Dkr [illegible]; Finland, Fmk 2.80; France, Frs [illegible]; Germany, Dmk 2.00; Greece, Dr [illegible]; Holland, Dfl 1.75; Italy, Lire 450; Luxembourg, Lfr 20; Madeira, Esc 17; Malta, 9c; Norway, Kr 4.00; Portugal Esc 20; Spain, Pes 35; Sweden Skr 3.75; Switzerland, Sfr 3.30; [illegible]; Canada, $1.00; Yugoslavia, Din 20.

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NEWS

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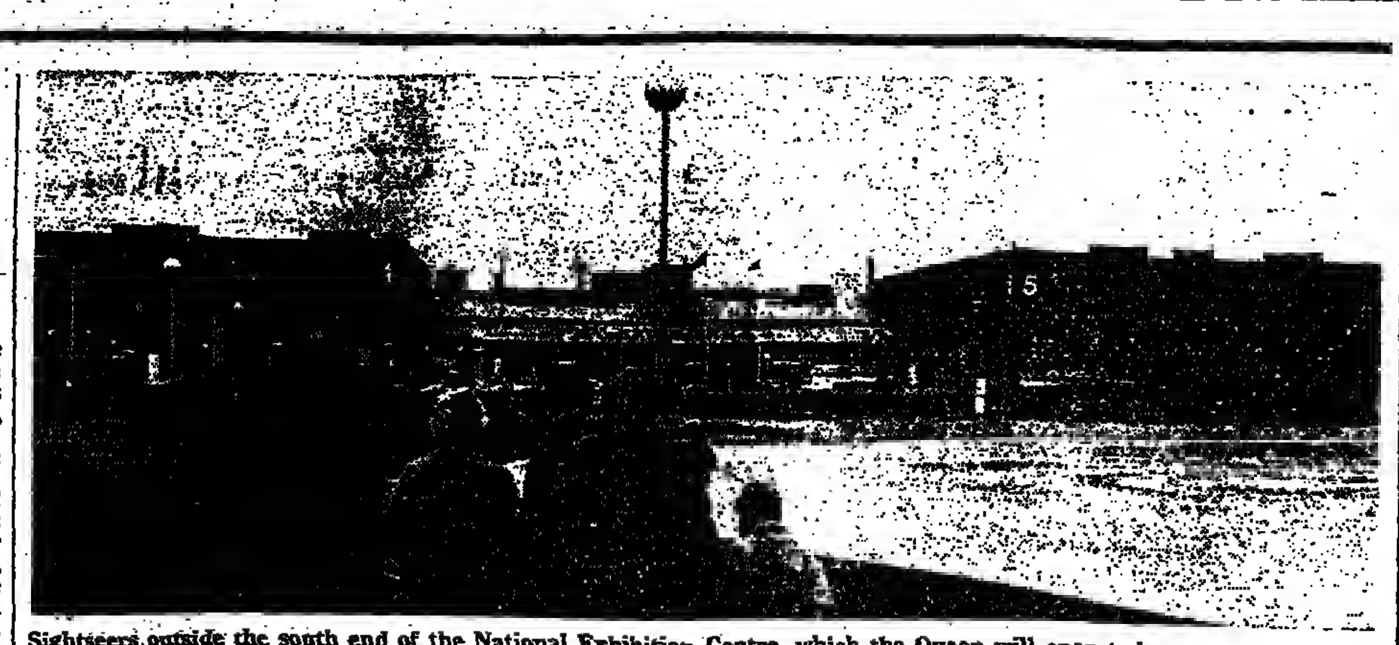

Sightseers outside the south end of the National Exhibition Centre, which the Queen will open today.

Britain's greatest show centre opens today

From Arthur Osman
Birmingham

It is 1,081 days since Mr Heath as Prime Minister set off a cavalry charge of enormous earth-moving machines to rip up acres of pasture land and inaugurate work on the National Exhibition Centre at Bickenhill.

Today, after an outlay of up to £50m, the Queen will open the centre, which is the first purpose-built exhibition complex in Britain this century and comparable in size and imagination to the Crystal Palace of the Great Exhibition in 1851.

Birmingham's energetic and persuasive ways in the 1960s, fortified by vast quantities of bacon sandwiches and tea on the M1 when travelling at dawn or late at night to and from Whitehall, beat the well entrenched London lobby. As *The Times* remarked on the decisive day that Government support for Bickenhill was announced, "the hare has beaten the tortoise after all".

The hostility to moving Britain's new showcase out of the capital has never entirely disappeared, although it has diminished in strength and importance as the splendid and vast centre has risen from the Warwickshire farmland between Birmingham and Coventry.

Today's ceremony sees the end of a six-year programme, with every stage completed on time, from the purchase of the land within hours of the Government's backing, one evening in 1970, to the end of building work last November.

In spite of early predictions by opponents, the drip of the parish pump has been heard only once, a few weeks ago, when there were predictable noises about the cost of today's feasting and celebrations. Birmingham justifies the expense, saying it is an event of the first importance to Britain in a highly competitive world field.

The key to the centre's existence has been the superb communications provided by the site, with adjacent motorways, with the main line railway from London to Birmingham, complete with a new £6m station, and with Birmingham's airport hard by at Elmdon.

The 981,350 sq ft of exhibition space in the six halls will be fully employed at the first exhibition, the International Spring Fair, which the Queen and the Duke of Edinburgh will tour after the opening ceremony. It is the largest exhibition ever staged in Britain.

The whole is set in a site the size of Hyde Park, London, with a 16-acre man-made lake, stocked with 10,000 fish, 3,200,000 sq ft of newly sown grassland and an additional 60,000 trees and shrubs to augment the spinneys retained from the farmland of three years ago.

During a dummy run last month to test the efficiency of the facilities and organization, the centre attracted more than 250,000 visitors on two open days and more than 65,000 full meals were served.

So far the centre's bookings total more than 30 national and international shows for this year, with a dozen already in hand for 1977 and inquiries for space up to 1980.

The Motor Show's coyness about moving to Bickenhill from its Earls Court base in London has become a focus for the residual London lobby. But Birmingham says it is essential for a successful motor show to attract very large crowds and handle them in comfort. Birmingham knows it can do that with numbers that Earls Court has been able only to dream about.

Last of two million words of evidence to be heard today at Tyndale school inquiry

By Mark Jackson of
The Times Educational Supplement

The Inner London Education Authority inquiry into the William Tyndale school, the outcome of which is likely to influence public attitudes to the control of state schools throughout England and Wales, completes its hearing of evidence today.

Today's witnesses are the last of more than a hundred to testify before Mr Robin Auld, QC, the chairman and his two lay fellow members, since the inquiry began last October.

But counsel for each of the seven parties represented, including the authority itself, have yet to make their closing speeches and the proceedings are expected to last at least another week.

Mr Auld will have to consider about two million words of testimony and argument that have been spoken in room 143 of County Hall, London, in preparing his report on what happened to the teaching, management and administration at the school between January, 1974, and the start of the inquiry.

The surface issue with which he has to deal is what, if anything, went wrong with the running of the small junior school in Islington, north London, which lost half its pupils over the period in question, and why it happened.

The managers, together with a minority of the school's staff, say that the libertarian methods followed by Mr Terence Ellis, the headmaster, and his supporters produced a chaotic environment in which discipline disappeared and learning virtually ceased.

The teachers insist that their methods maintained an academic achievement on a par with similar schools in inner London, while producing considerable additional benefits for the children, particularly those who were emotionally or socially deprived.

They blame the school's misfortunes on interference and what they call harassment by the managers and others.

But from the beginning the inquiry has found itself having to examine a range of broad issues of current educational philosophy, practice and organization, which it has been told are producing conflict throughout the school system.

Some concern the inner processes of the educational structure, such as the role of managers and their relationships both with the political parties and with education authorities. But others are of more direct concern to parents: how much importance is and should be placed on teaching basic skills such as reading and writing; whether adequate standards are being applied in those matters; and whether the wishes of the parents are being sufficiently taken into account.

For the teachers, what they have come to regard as their most cherished professional freedom is at stake, their right to use whatever methods they consider appropriate in the classroom provided they use them competently.

The junior school staff are on paid leave of absence at present. The many parents who have given evidence are sharply divided in their attitude to Mr Ellis and his teachers. Some say that they will remove their children from William Tyndale if the staff return, while others say they will do so if the teachers do not come back.

But whoever else is criticized in Mr Auld's report, which cannot be ready for many weeks, the Inner London Education Authority can hardly hope to emerge unscathed. The one view on which everyone else involved is agreed is that the authority should have intervened more effectively at an earlier stage.

Rail board is criticized as defeatist

By Tim Jones
Labour Staff

The replacement of members of the British Railways Board by "thoroughbred railwaymen" is suggested today in an attack on the industry's management by Mr Thomas Bradley, chairman of the Labour Party. Mr Bradley, who is president of the Transport Salaried Staffs' Association, the second largest railway union, criticizes the board for "shortcomings, indecision, poor salesmanship and inbuilt defeatism".

Writing in his union's journal, Mr Bradley says: "For the sake of the industry, irrespective of the pressures imposed by financial restrictions on investment or grant support, 1976 must become the year of replacement by thoroughbred railwaymen of those who have presided and lost their opportunities."

His attack comes at a time when the TUC transport industries committee is still discussing the contents of a forthcoming transport review with the Government and when rail unions in particular are concerned over the size of possible cuts.

Yesterday British Rail announced that the implementation of cuts in services designed to save £3m this year had been delayed for up to a month because talks with the unions were continuing.

Train services into Waterloo from Surrey and north-west Hampshire are expected to be disrupted today when 90 drivers are due to stage an unofficial strike until midnight in protest against reorganization of work in the area.

Mrs Thatcher accepts her 'iron lady' tag

By Our Political Staff

Mrs Thatcher, Leader of the Opposition, said at the weekend that the Russians and Mr Mason, Secretary of State for Defence, are welcome to call her what they like "if they believe we should ignore the build-up of Russian military strength . . . that we should not disturb their dreams of détente by worrying over the Communist presence in Angola".

Speaking at Finchley, north London, on Saturday, she agreed that she was an "iron lady" and "a cold war warrior" if that was how "they" wished to interpret her belief in the values fundamental to Britain's way of life. "And by 'they' I mean that somewhat strange alliance between the comrades of the Russian Defence Ministry and our Defence Minister", she added.

We must not forget the guns and missiles aimed at us, she said, but we must not let them blind us to the "much more insidious war of words which is going on.

"It is not just a matter of hurling insults—where he who hurls loudest hurls last. That is the final resort of the man who has already lost the argument."

The present one was not that kind of war, but one of words where meanings got lost "in a mist of revolutionary fantasy . . . and where truth is bent to suit the latest propagandist line".

To the Marxist, a freedom fighter was one who helped to bring about Marxism. In other words, that so-called freedom fighter is a man who helps to destroy freedom.

Students' strike vote

Students at Keele University will vote at their annual meeting today on whether to hold demonstrations, sit-ins and strikes in support of their demand for a free day nursery.

...humbs in the Welsh-language dyke

Regional report

Trevor Fishlock

Cardiff

...hen news about ...often bad news, ...ige to report the ...wth of the new ...the towns and ...l Wales. In the ...s 14 have been ...mother will be ...month. They ...se they meet a ...news and gossip; ...make an import... ...ribution to the ...the communities

...*au bro*, or neigh... ...papers, are part ...ards broader use ...print and else... ...e infant Welsh ...industry, the ...s and popular ...ision, they repre... ...the dyke, not to ...out but to keep

...suffered in this ...e it has not had ...dle ground of ...print. It has a ...and literary ...is the first ...ousands of fire... ...e has been for a ...ap between the ...d the hearth. ...been popular ...Welsh reading matter has tended to have a rather worthy image. At the same time, an education background in which the emphasis was on English literacy left a lot of people only semiliterate in their native language.

Today the popularizing of Welsh in novels, records, films, newspapers and on the air is a step towards making Welsh what, ideally, it should be, as ordinary and unremarkable as English.

Like most small-town newspapers, the neighbourhood papers of Wales succeed by concentrating on the essentials of local journalism.

They publish a lot of names and pictures, feature the darts team heroes and Sunday school prize winners and air the burning community issues. They eschew long articles and they are non-political; if they were they would probably not survive. Their average sale is 1,200 copies each and their combined readership is more than 50,000.

All the text is Welsh, including advertisements, and many advertisers put their message across in rhyming couplets.

The papers appear monthly, priced between 6p and 9p, and are sold from door to door, as well as in village shops and in Jones the Papers. They are run by small groups of enthusiasts, many of them teachers, and profits are ploughed back to improve future issues. Some of them have started with the help of £100 grants from the North Wales Arts Association.

"These papers fill an important information gap in the parts of Wales where community sense is still strong", Mr Norman Williams, the arts association development officer, said.

"There is enough serious reading available in Welsh but not enough of the kind of Welsh which most people use in their everyday speech, and there is not enough about the smaller but interesting things of life. The *papurau bro* have a promising future and they are certainly spreading. They make a creative contribution to the language, but people do not buy them for that reason. They buy them for information and entertainment, because they are interested in their own community and they want to read all about it."

Commission on legal system urged by lawyers

The British Legal Association yesterday called for a royal commission to examine the legal system, including people offering unqualified legal services.

The demand, made at a meeting of the association's national executive committee, is being sent to the Lord Chancellor and the Attorney General.

A resolution passed by the executive notes "recent unjustified and generalized attacks on the integrity of the legal profession" and says that to expose the falsity of the complaints and maintain public confidence in the legal system the immediate appointment of a royal commission is necessary.

Four die as fire sweeps house

Four people died when fire swept through a council house in Greyswood Avenue, Cheetham, Manchester, early yesterday.

They were Mrs Winifred Downey, aged 24, her children Joanne, aged four, and Paul, aged three, and a baby-sitter, Julie Mottershead, aged 16, of Rutherglen Walk, Monsall.

...ay' trial sought for ...nglia rail tracks

...ily ...espondent

...n be brought on ...t to carry out an ...onversion of an ...ailway line into ...and lorry route, ...r Hall, of Read... ...said yesterday. ...a study by Pro... ...ead of the De... ...Geography at ...Mr Edward ...l engineer and ...omist, published ...ion of six East ...including the ...ol Street to ...would save the ...re than £30m a

...entitled *Better* ...ays and obtain... ...ding University, ...conversion of ...e rail network ...oads could save ...m and £2,000m

It urges more extensive studies of the network to test its conclusions. "We hope the Department of the Environment will act on the report if only to prove that busways will work", Professor Hall said. "We would expect such an experiment to be carried out on a lesser used line.

"Extended studies would show where conversion from rail to busways should end. Are there any lines not suitable, such as freight merry-go-round routes, and lines on which there has recently been heavy investment in electrification?"

The present study, details of which were first disclosed in *The Times* in December, says buses would offer a better and cheaper service than trains and that substantial environmental benefits would accrue.

Better Use of Rail Ways (Department of Geography, University of Reading, Whiteknights, Reading, RG6 2AB, £1.60 post free).

MP calls for restrictions on obscenity-trial reports

By a Staff Reporter

Mr Philip Goodhart, Conservative MP for Bromley, Beckenham, has written to Mr Jenkins, Home Secretary, urging him to restrict press reporting at obscenity trials to prevent publishers of pornographic works from making commerical profits as a result of the publicity.

The trial last week involving the book, *Inside Linda Lovelace*, was a reminder, Mr Goodhart said, that publishers acquitted in such cases "can make enormous profits because of the publicity that is given to the seamier bits of the book".

Mr Goodhart also urged the Home Secretary to consider imposing taxes on pornographic films shown in public cinemas. He said he was sure that Mr Jenkins, as a former Chancellor of the Exchequer, would agree that "it is easier to tax something than to ban it".

Mrs Jill Knight, Conservative MP for Edgbaston, will ask Mr Samuel Silkin, the Attorney General, to examine the workings of the jury system after the "Linda Lovelace" verdict. She claimed yesterday that the rule whereby defendants may object to individual jurymen allowed them to select a panel sympathetic to their views.

Mr Hugh Watts, aged 73, a former barrister, who brought the original complaint about *Inside Linda Lovelace*, said yesterday that although the case had been lost, his battle against pornography was now more likely to succeed, as the case had created a climate in Britain that would lead to a change in the obscenity laws.

He was undeterred by the cost to the taxpayer of the trial. "A mere £20,000 is cheap if it will start a clean-up in Britain."

WEST EUROPE

Riot police break up Barcelona rally

From Our Correspondent
Madrid, Feb 1

Police used tear gas, truncheons and rubber bullets to break up a demonstration in Barcelona today involving 10,000 people, who were demanding a political amnesty and democratic freedoms.

Strikes continued in different parts of Spain. There was a march by 600 workers in Bilbao, and in Madrid 400 teachers spent last night in a church demanding that police release colleagues who had been arrested after a demonstration.

The military authorities here decided to bring charges against some of the eight postmen and a union representative for railwaymen who were arrested after the postal and rail services were militarized two weeks ago.

A commission made up of members of the Government and the National Council, the ruling body of the National Movement, the country's only legal political organization, is to study constitutional reforms, according to reports published here today.

The 21-man commission, headed by Señor Carlos Arias Navarro, the Prime Minister, will study reform proposals which include a two-chamber system for the Cortes.

Under Spanish law any changes in the fundamental laws drawn up by General Franco have to be submitted to a referendum, and one is expected before the end of the year.

Spanish party calls for constituent assembly

From Richard Wigg
Madrid, Feb 1

The Christian Democrats, openly holding a national congress in Madrid, today warned the Government that only the summoning of a constituent assembly elected through popular suffrage could bring about a genuine "democratic transformation" in Spain.

It is the first time that a democratic opposition group, theoretically illegal under Franco's law, has gathered at national level. Presenting themselves as a middle-of-the-road, inter-class party, the 300 Christian Democrats thus gave an important lead to other opposition forces.

The Christian Democrats, who are linked with the Socialists in the opposition group called the Democratic Platform, stood cheering in a Madrid theatre this morning after they had passed a final resolution demanding among "minimum measures" from the Government, an immediate amnesty for Spain's political prisoners "as an act of justice".

Led by Señor José Maria Gil Robles, aged 76, who served as a minister during the Republic, they also demanded unanimously the repeal of all laws which prevent full liberty of action by political parties and trade unions. The Christian Democrats would include the Communists in this but they refuse to work with them.

The meeting, which was attended by West German and Italian Christian Democratic leaders, let it be known that it wanted Spain to join the European Community and the Council of Europe only "when the democratic requisites . . . are fulfilled".

The Christian Democrats, who included many young men and women obviously debating in public for the first time, rejected any direct dialogue with the Government or collaboration with its programme of reforms. But as "authentic democrats" they emphasized that the opposition's methods for keeping up pressure on the Government would be nonviolent and would seek to exploit the *de facto* liberty now emerging in the country.

Armed police in military vehicles were stationed outside the theatre this morning but dispersed before the congress ended.

Five groups at present constitute the Christian Democrats. These are the Popular Democratic Federation, led by Señor Gil Robles; the Christian Left, led by Professor Ruiz Jiménez; the Basque Nationalist Party, led by the veteran Señor Juan Ajuriaguerra, who was greeted enthusiastically today; and the Catalonian and Valencian Democratic Unions.

The Christian Democratic programme approved today proposes a federal state to take account of strong regional sentiment in a democratic Spain.

The key to understanding Spain's emerging Christian Democrats, who are more radical than the Italian or West German parties, lies in what one delegate described as "Spain's deeply unjust and repressive society". The final resolution accordingly condemned Spanish capitalism as "a system generating a profound social disequilibrium".

Italians not fully won over by CIA's $65m

From Peter Nichols
Rome, Feb 1

The Central Intelligence Agency seems to have provided about a tenth of the expenses of the anti-communist or non-communist parties in Italy over a quarter of a century, extracts from the Pike report published here indicate.

This is the work of the House of Representatives committee on intelligence which President Ford has, with House approval, now suppressed.

Today's editions of *La Stampa*, the Turin newspaper, carry extracts, with some of the main passages in English, and reading them one can understand the President's mixed feelings on the subject.

The impression here is that Italian politicians, for better or for worse, remained reasonably immune from the temptation to give too much political satisfaction in return for the money, and that the CIA on at least two counts was far wiser than the State Department, including Dr Kissinger, in grasping the real effect of political payments in Italy.

One example of a total lack of liaison involved the former American Ambassador here, Mr Graham Martin, who threatened the CIA's station chief with the Marines if he continued opposing the ambassador's private financing (agreed to by Dr Kissinger) of the then head of the Italian secret service, General Vito Miceli.

A good deal of ill-feeling here would almost certainly have been saved if the report had been published immediately as is suggested in an angry article today by Senator Giuseppe Saragat, a former President and a political personality whose career is based on the importance of the American alliance.

His group within the Social Democratic Party had been mentioned in the press as one of the beneficiaries of American money but in the extracts of the Pike report now published all names, even that of the country concerned, are deleted.

Senator Saragat complains that the way in which the report had reached the American press had been unfair to a number of Italian personalities freely mentioned and to Italian politicians as a whole.

He goes so far as to say that he now agrees with General de Gaulle's strictures of the Americans, so long as these were limited to the American political class, and continues: "Would it be conceivable in Italy that a candidate to the presidency, after an orgy, falls into a river in his car with a semi-naked secretary who drowns? Certainly not. In Italy such things do not happen."

One extract from the report includes a document summarizing the scope of CIA aid to Italy: the document is addressed to the Committee of 40 (the arm of the National Security Council that approves covert intelligence operations) and deals with political action to arrest the growing power of the communists in what is clearly Italy, though the country's name is deleted. The principal beneficiary, though not named, is obviously the governing Christian Democratic Party.

"The United States Government was concerned in 1948 that the communists would emerge from the national elections sufficiently strong to enter the government as a major if not dominant force. As a counter, it was decided that the CIA should give $1m (£500,000) to the centre parties for this election with the bulk going to the (deleted).

"Between 1948 and 1964 funds provided to (deleted) totalled approximately $5,450,000. Between 1948 and 1963, additional support to (deleted) in eight national and regional elections amounted to $11,800,000.

"Between 1953 and 1968, the (deleted) received about $26m to support its opposition to the communist-dominated Labour federation. (deleted) received some $11,350,000 during this period.

"Between 1948 and 1968 other organizations received about $10,550,000 of CIA assistance. This support was given to the following political parties associated with centre or centre left governments (deleted).

"In sum, excluding the initial $1m spent in the 1948 campaign, the CIA gave (deleted) $54,600,000 as well as $10,450,000 to the other non-Communist parties and affiliates for a grand total of $65,050,000 over approximately 20 years starting in 1948."

Reporting from Rome, the CIA indicated clearly enough that the payments were of little avail. As the House report puts it: "With National Assembly elections less than two years away, the United States country team concluded from a CIA-contracted survey that the pro-United States elements, which had governed the country since the postwar period, were being seriously challenged by the Communists. The opposition, apparently heavily financed by Moscow, had scored gains in regional elections and trailed the incumbents by only a few points in opinion polls.

"Pro-West parties and affiliates had received substantial funding in the past. The CIA reports total United States election financing over a previous 20 years period at some $65m. Despite this massive aid, the beneficiaries, perhaps too long in power and clearly wracked with internal dissension, had suffered repeated electoral setbacks. American observers apparently concluded that another 'quick fix' was necessary to see our clients through the next vote."

No exit for Ingmar Bergman

From Our Correspondent
Stockholm, Feb 1

Ingmar Bergman, the Swedish film director, has had his passport seized because of alleged tax evasion.

Police entered the Dramaten theatre in central Stockholm at the weekend while Mr Bergman, aged 57, was rehearsing for a new play. Actors looked on in disbelief as the director was led away. He was later questioned in connexion with the alleged tax offence, said to involve about £56,100.

Mr Curt Dreifalt, a local prosecutor, told newspapermen that fast action in the Bergman case was required by the authorities because of statute of limitation regulations which would become operative on February 10.

The Pope sees no wider role for women in church

From Our Own Correspondent
Rome, Feb 1

The Pope said yesterday that men and women were equal before God and in their rights, but a woman's role in bringing up children was still an essential one. He did not, moreover, foresee an extension of the woman's role in the life of the church.

He was addressing the study commission on the role of women in the church and society and the church's committee for International Women's Year.

Women had an inalienable right to respect at the personal level, he said. In private, as in public, their dignity must be recognized and safeguarded. "Vigorous action must be taken in this domain for there exist new forms of enslavement and degradation of women."

Discrimination still existed. "We are thinking of the situation of the wives of migrant workers, and of migrant women who are themselves workers. We are thinking of the women in rural and working environments who cannot receive the formation needed for their human development, and who must work for wages which are often insufficient."

Certain feminist movements, he went on, suspected him of wishing to shut women within the austere and limited work of the family, thus preventing them from exercising their talents in other social spheres.

"For this reason, these feminist movements are against any reminder of women's role in the home. Is it realistic, is it wise, to fall from one excess to another?"

WEST EUROPE AND OVERSEAS

Mr Nkomo flies to London to see Mr Callaghan about progress of Rhodesian constitutional talks

By Roger Berthoud

Mr Joshua Nkomo, the leader of the African National Council (ANC) in Rhodesia, arrived unexpectedly in London yesterday for a visit made on his own initiative.

Today he will see Mr Callaghan, the Foreign Secretary, and Mr David Ennals, Minister of State at the Foreign Office, mainly to discuss the progress of the ANC's constitutional talks with the Rhodesian Government, which began in December.

"We need a settlement that gives the people the right to choose their own government, and we need it now", he said at an informal press conference in his suite at the Savoy Hotel.

He thought that Mr Garfield Todd—the former Southern Rhodesian Prime Minister who is being released from four years of house arrest to visit England this week—could and should play a political role.

Mr Nkomo, who last week demanded Mr Todd's release to join the ANC negotiating team, said he had expected, and still expected, more generous treatment for the former Prime Minister.

"I do not accept that a man of Mr Todd's standing be freed only outside his country. He has political views which he should be free to express, and he is an old man."

Mr Todd's knowledge of both communities (black and white) in Zimbabwe (Rhodesia) would be useful, Mr Nkomo said. He added that there were hundreds of other people still in prison, some of whom had been arrested at the same time as himself 13 years ago: about 1,000 people in actual detention, as well as those in the "concentration camps" called protected villages.

"Britain has responsibility towards those people until the country is free and independent. No matter what name that country is called, it is still a colony of Britain and we regard it as such. Britain cannot absolve itself of responsibility." Mr Nkomo said he intended to remind Mr Callaghan of this.

Of course Britain had a part to play. "But because of the 'kith and kin' type of attitude, she has not been able to do so, and I do not know whether she will be able to recover and do something."

Independence still came from "the place here called Westminster", and he still expected Britain to pass legislation granting independence, as had been done for other colonies.

He regarded Angola as a warning. "The Portuguese had to run out of Angola because of their stubbornness. We hope the people in Zimbabwe realize that unless they think, and think fast, they may have to run out in their pyjamas. No one wants that. But if people become unnecessarily stubborn against the rightful demands of the people, they must expect that type of thing."

Our Salisbury Correspondent writes: Mr Todd, who is 67, will not be allowed to participate in the constitutional talks between the Government and Mr Nkomo's ANC group.

A senior Government official told me this when confirming that the former Prime Minister will be temporarily released from detention on his Shabani ranch to fly to London later this week for a short holiday.

He has been freed from next Friday until February 28, and part of the condition of his release is that he will not indulge in politics or talk to the media. The same conditions applied when he was allowed to go to South Africa for two weeks in December, 1974.

Mr Todd was detained on January 18, 1972 because the Government feared he would possibly upset the 1971 Anglo-Rhodesian constitutional proposals.

The official to whom I spoke said that Mr Nkomo's recent request for Mr Todd to be allowed to join his negotiating team would be ignored, and Mr Todd would be returned to detention on his ranch at the end of the month. He would almost certainly stay there until the talks—at present adjourned for study of papers—were concluded one way or another.

Judges put fair trial before free press

From Peter Strafford
New York, Feb 1

The New York Times has won its case against the imposition of a "gag order" on its reporting of a murder trial in Brooklyn. But it did not get the answer it wanted on the broader question of whether such orders by a court can ever be legitimate.

In its ruling on Friday the appellate division of the New York State Supreme Court said that there could be occasions on which the right to a fair trial "may require an order, temporary in duration, forbidding the publication by the press of information prejudicial to a defendant on trial".

This is in fact the issue on which *The New York Times* and other news organizations in the United States are now challenging the courts. They are trying to block a recent trend in which judges have been ordering the press, radio and television not to print background information about defendants on the grounds that it might be read by the jurors and affect their judgment.

In the Brooklyn case, the appellate division unanimously overturned an order of this sort made earlier in January by Justice John Starkey. There was no justification for it, the court found, since the jurors had been instructed not to read the papers and were heeding the instructions. Nor had alternative measures such as sequestering the jury been considered.

In their majority opinion, however, four of the court's five justices found that there were times at which the right of the free press and the right to a fair trial "inevitably collide". It described the right to a fair trial as "most fundamental of all freedoms", and said that a gag order could be justified, though only as a last resort.

The fifth member of the court, Justice Irwin Shapiro, issued a minority opinion. He argued that the press could not be prevented from publishing information on criminal proceedings under any circumstances, by the terms of the constitution.

"This language should be taken at face value and not frittered away by exceptions", he said. "It means, and should be interpreted to mean, that any law or order mandating, authorizing or directing prior restraint of the press does direct violence to its very heart and purpose."

The issue is to be taken up again in the Supreme Court in Washington, where *The New York Times* and others are challenging a gag order issued in Nebraska.

Deep freeze: Children and adults skate on one of Amsterdam's picturesque canals, frozen in Holland's coldest winter for 13 years.

Tamil Na[du] under direct De[lhi] rule

From Our Correspond[ent]
Delhi, Feb 1

Delhi has taken ... plete control of the a... tion in Tamil Nadu ... state Government ... missed by President ... din Ali Ahmed yester...

Public meetings a... lies have been bann... days and the holding ... tions in Madras, t... capital, until April 30.

Mr Karunanidhi, ... missed Chief Mini... appealed to the p... maintain peace.

Tamil Nadu was ta... central rule after a ... Mr Shah, the Govern... President, accusing ... Government of corru... use of power, and o... disregarding the cen... ernment's instructio... state of emergency.

During her recent ... Tamil Nadu, Mrs ... Gandhi, the Prime ... accused the state Go... of going out of its ... blame the centre so as ... up its own faults.

The five-year term ... state Government, h... the Dravida Munetr... gam Party, was due ... on March 21. T... Government had requ... centre to extend the ... one year.

The Governor's ... accused the DMK of ... ing secessionism. Ia ... party won 167 seats ... member house.

Of India's 22 state... is the only one still ... by parties opposing t... Congress Party.

Leading articl[e]

Algerian leader insists on Sahara referendum

From Victoria Brittain
Algiers, Feb 1

President Boumedienne of Algeria is insisting that only self-determination for the Western Sahara will prevent fighting in the Maghreb, it is reported here.

As Arab envoys attempting to mediate continued to fly between Algiers and Rabat, the President was quoted in the semi-official daily *El Moudjahid*, as having insisted in his diplomatic messages that the Saharan people must have "a free and authentic referendum".

The chances of a compromise appear slim. Algeria has declared null and void the Madrid agreement of last November, whereby the Sahara is to be split between Morocco and Mauritania later this month. On the basis of that agreement Morocco is already calling the Sahara part of its territory.

In the only mention of the Moroccan defeat of an Algerian force at the Saharan oasis of Amgala last week, the official Algerian news agency reported that the Algerian unit was outnumbered 10 to one.

No mention has been made of Algerian losses: all that has been officially reported is that the unit "withdrew".

Rabat, Feb 1.—Algerian troops are still in control of parts of Mauritania and the Western Sahara in spite of their defeat at Amgala, Moroccan military sources said today.

The sources said Algerian troops and Polisario guerrillas seeking independence for the Western Sahara had used areas of northern Mauritania to set up a base at Amgala, about 25 miles from the Mauritanian border. There has been no official comment from Mauritania.

Moroccan sources said that about 200 Algerians were killed and more than a hundred captured in the fighting at Amgala, for the loss of two dead and 14 wounded.

US leaders get Soviet rebuke over Angola

Moscow, Feb 1.—The Soviet Union claimed today that President Ford and Dr Henry Kissinger, the Secretary of State, were making misleading statements about the situation in Angola.

The accusations, carried by Tass and *Pravda*, were unusual in that they named Mr Ford and Dr Kissinger.

In a brief review of statements on Angola, Tass said that Mr Ford "in an attempt to justify American support for the Angolan rebels", painted a "distorted picture" of the Angolan situation and of Soviet and Cuban policy.

Dr Kissinger was attacked in *Pravda* for making allegations about Soviet and Cuban attempts to "win advantages".

Our Bonn Correspondent writes: German soldiers are becoming involved on both sides in the Angolan civil war, according to a report today in the Hamburg newspaper *Bild am Sonntag*.

East Germany has sent 400 "military advisers" to support the left-wing Popular Movement (MPLA), which already has Cuban troops and Russian experts on its side, the report said. At the same time, West German veterans of the French Foreign Legion and the Bundeswehr are being recruited in Brussels to fight for the National Front (FNLA).

Dancers kill[ed by] machine gu[n]

Goteborg, Sweden, F[eb 1.—A] man opened fire with ... machine gun in a crow[ded dis]cotheque here early to[day kill]ing two people and inju[ring] others.

Police said that he ... ried the gun into ... wrapped in a plastic ... immediately began sh[ooting] police patrol arrived as ... ran out of ammuniti[on and] arrested him.—Reuter.

46 charged w[ith] offending reli[gion]

Milan, Feb 1.—Forty-... ian feminists have been ... in Milan with offending ... and interrupting a chu[rch ser]vice. They had demons[trated in] Milan Cathedral on Ja[n ...] for relaxation of aborti[on laws].

In Rome last night ... dozen Radical Party su[pporters] headed by Signor Mar[co Pan]nella, its leader, occup[ied the] entrance hall of the sta[te tele]vision building ... against alleged televis[ion cen]sorship of the ... debate on abortion.

Avalanche kills four

Salzburg, Feb 1.—Four ... rian skiers are reported to ... died in an avalanche ... Tauern range. They we[re part] of a group of six which ... signposted run and sla... deep snow.—Reuter.

El Al pilot refuses to fly boys in dispute to Germany

From Our Correspondent
Tel Aviv, Feb 1

An Israeli High Court order to send two young boys from a broken home to their father in West Germany, was again thwarted today when the pilot of an El Al aircraft refused to take the children.

On Friday, Menahem and Dov Yondeff, aged nine and eight, had been bundled on board a Lufthansa aircraft with their mother, but the captain dropped them before take-off when the children became hysterical and assaulted a stewardess and passengers.

The father, Mr Josef Yondeff, applied later today to the High Court in Jerusalem for an order to transfer the children to his custody in Israel if he arrives here.

Mr C. Bach, the state attorney, who supported the application, said the state was considering legal action against El Al and the pilot. The court will give its decision tomorrow.

An El Al source later said anonymous telephone calls had been received threatening the family of any pilot who flies the children out of the country.

The children, born in West Germany, were brought to Israel by their mother in January, 1973, while divorce proceedings were pending in Berlin. A West German court ordered their return to their father, and the Israeli High Court upheld the order.

Leftist Palestinian papers silenced

From Paul Martin
Beirut, Feb 1

Guerrillas of Al Saiqa group reduced the offices of one Beirut newspaper to a blackened shell, and bombed and fired rockets at another, in a new Syrian show of force against potential opposition. The newspaper *Beirut* was the organ of the so-called Arab Rejection Front, while *Al Moharrer*, in the same street 50 yeards away, espouses leftist Palestinian causes.

Mr Yassir Arafat, the chairman of the Palestine Liberation Organization, held an emergency meeting of all guerrilla factions after the attack. A statement denounced it as "an aggression against the press", but cautioned the factions that it should not lead to fighting among the guerrillas and all parties should exercise restraint in future.

As well as effectively silencing the press supporting the Iraqi regime and the Palestinian rejectionists, it has also served to bring the rest of the Lebanese press into line. Hitherto Lebanon had provided the Arab world with an arena for free press, being the only Arab country not to exercise censorship, but since the Syrian intervention two weeks ago editors have imposed self-censorship on their newspapers.

Mr Abdul Halim Khaddam, the Syrian Foreign Minister, whose job is to impose *pax Syriana* in Lebanon, had made Syria's attitude to the Beirut press very clear. He said that the manner in which freedom of the press had been "abused" contributed to the sorry state of affairs in Lebanon.

The attack by the Al Saiqa assault force came after an incident in which guards at *Beirut* had fired on Syrian-led "enforcer" troops clearing away barricades in the streets outside. In the battle that ensued, the car of Colonel Ali Madani, the Syrian military police chief, in charge of restoring law and order in Lebanon, was fired upon by rejectionist guerrillas.

Al Saiqa units descended on the area firing rockets, mortars and machine guns. Among the eight people killed from the staff of the two newspapers was Mr Naei Shiblak, the managing editor of *Al Moharrer*.

Later the rejectionist guerrillas issued a warning that the attack would not go unanswered. "We will not stand idly by", a spokesman for one of the radical groups said. However, the swiftness with which Mr Arafat convened the guerrilla meeting indicates that he intended to prevent things getting out of hand.

The message that he wanted to convey to the rejectionists in his ranks was that the Syrians would spare no effort to bring unruly elements under control.

This had already been conveyed by Colonel Madani, and Mr Khaddam said today: "Some parties involved in the war here might try to give the impression an agreement is not in sight. But the leaderships will quickly stop this."

Pointing out that in Syria's view a solution had been agreed upon, Mr Khaddam added: "New conditions will be dictated making it impossible for fighting to be resumed."

Moscow belatedly confirms Soviet crop failure

From Our Correspondent
Moscow, Feb 1

The official report of the implementation of the 1975 economic plan, issued this weekend, belatedly confirms the failure of the Soviet grain harvest. The overall figure of 140 million tonnes is the lowest for 10 years and about 75 million tonnes less than planned target.

Give or take three million tonnes of moisture and other impurities, that virtually confirmed earlier estimates by Western agricultural experts of about 137 million tonnes.

The report ascribed the shortfall to bad weather conditions in most growing areas. It cushioned that admission by claiming that increased mechanization, the use of chemicals and soil improvement had enabled collective and state farms to reduce the damage.

While the overall volume of the agricultural product was 6 per cent less than in 1974, it was 12 per cent above the annual average for the previous 1966-70 Five Year Plan.

The expected adverse effect of the low harvest on the livestock population appears partly confirmed. The total number of cattle, on January 1, 1976, was given as 111,600,000 head, compared with 109,100,000 head a year ago, well below the target increase.

The report confirms the slaughter of pigs indicated by the present profusion of pork on the market. The number of sheep and goats fell from 151,200,000 to 146,900,000.

There has been no indication that the harvest shortfall will seriously affect the Soviet consumer. The press has played down the poor harvest. The consumers themselves have shown no signs of alarm.

Apart from agriculture the tone of the report shows substantial, if not spectacular, gains recorded in all sectors.

Farmers fight land reform

Lisbon, Feb 1.—Thousands of Portuguese farmers opposed to the Government's land reform programme gathered in five provincial towns today to decide whether to cut off Lisbon's food supplies.

At a meeting in Braga last month, the farmers set tomorrow as the deadline for the Government to suspend the reform law and hand back confiscated properties. They also demanded the replacement of Senhor Lopes Cardoso, the Socialist Minister of Agriculture.

In an attempt at conciliation last Friday, Admiral Azevedo, the Prime Minister, told farmers' leaders that he favoured a temporary halt to new land takeovers.

However, he rejected demands that the whole reform law be suspended until the legislative assembly, due to be elected this spring, had decided whether it should be maintained. He also refused to dismiss Senhor Cardoso.

Some 16,000 farmers demonstrated today—5,000 in Viseu, 4,000 in Castelo Branco, 3,000 in Loule, 3,000 in Bombarral and about 1,000 in Famalicao.

Gulf corporation may let oil start to flow again after MPLA shows signs of impatience

Cubans keep guard in Cabinda

From Nicholas Ashford
Cabinda, Feb 1

The oil rigs and loading platforms that sprout from the sea just off the coast of Cabinda are still. No longer do tankers queue up in Cabinda Bay waiting to take on crude oil to feed refineries in the Caribbean or the United States. The jets of flared gas that used to illuminate the horizon have been extinguished.

No oil has been exported from Cabinda—the northern Angola enclave which covers 2,700 square miles and is separated from the rest of the country by a sliver of Zaire territory—since the Gulf Oil Corporation announced in December that it was suspending its operations there and withdrawing its expatriate staff.

Now all but one of the company's 98 producing wells have been closed and only a trickle of oil is maintained to supply local needs.

Ostensibly Gulf decided to withdraw temporarily from Cabinda because the Angolan civil war made it impossible to keep its operations going and because of the conflicting demands by rival Angolan governments for the payment of oil royalties.

However, it is generally believed that Gulf's decision was largely dictated by the United States Government to stop the royalties going to the left-wing Popular Movement (MPLA), which is fighting the two Western-backed movements, the National Front (FNLA) and the Union for Total Independence (Unita).

A total of £75m in royalties was paid into the MPLA-controlled Bank of Angola in September (considerably more than the aid the United States had been giving to the other two movements) and a similar amount was due to have been paid at the end of last year. This has been placed in a special interest-bearing account in the United States to be paid to whatever Angolan government emerges in control of the country.

Cabinda is the richest prize of the civil war. Oil production, which was running at about 150,000 barrels a day, is worth about £300m a year in hard currency and is Angola's biggest single source of foreign exchange. Furthermore, while other sectors of the economy will take years to repair, the oil installations have been unharmed by the war and could be put back into operation quickly.

Cabinda is firmly under MPLA control and the enclave has the appearance of being calm and unaffected by the war. Unlike other Angolan cities, Cabinda town has on the whole not been disfigured.

However, the MPLA is clearly taking no chances. It has about 5,000 of its own troops stationed here and they have been reinforced with big detachments of Cuban regulars. Cubans can be seen manning the guns that protect Cabinda airport and are on guard outside the Gulf installations at Malougo, about 20 miles north of the city. They are also present in large numbers round the port and in the surrounding countryside.

As far as internal security is concerned, there would seem to be nothing to stop Gulf resuming its operations. The MPLA had good relations with Gulf and would like the company to return.

However, Mr Lopo do Nascimento, the Prime Minister, made it clear in an interview on Friday that, if production was not resumed soon, his Government would have to seek other means of exploiting the Cabinda field. This would not be difficult as, according to a local Gulf representative, there is no shortage of other companies wanting to take over Gulf's operations.

There are signs that Gulf may be planning to return. The Prime Minister has received a telegram from the corporation informing him that the matter is to be considered at a Gulf board meeting next week.

Gulf's decision will be of the utmost importance, not only for the other oil companies which have potentially rich concessions in Angola, but also for the West's relations with the left-wing regime. The Prime Minister made it clear that he regarded Gulf's withdrawal as part of an economic war against Angola and that, if it was maintained, the country might have to seek other (presumably socialist) markets for its oil, diamonds, coffee, iron ore and uranium.

South Africa's blunder, page 16

Space flight to newly found asteroid possible

Pasadena, California, Feb 1.—A newly discovered asteroid, closer to Earth than any other celestial body except the Moon, may provide a new target for spacecraft exploration.

The dark rock, about two miles in diameter, is on an orbit that links with that of the Earth like loosely held loops of a chain, scientists at the California Institute of Technology said.

It was discovered on January 7 by Mrs Eleanor Helin, a planetary scientist, at the Palomar observatory, and was called 1976 AA. Dr Eugene Shoemaker, professor of geology at the institute, said: "Aside from the Moon, this asteroid is one of the easiest places to get to in our solar system." It probably was a defunct comet as were most of this type of asteroid, called Apollo asteroids.—UPI.

Greek Premier calls env[oys] of the Nine over 'betray[al]'

From Our Correspondent
Athens, Feb 1

Mr Constantine Karamanlis, the Greek Prime Minister, has informed the governments of the EEC countries that Greece may be forced to reassess its foreign orientations if it is denied immediate full membership of the Community.

Yesterday Mr Karamanlis summoned the ambassadors of EEC member countries to protest against the European commission's opinion that the Greek request for immediate integration be rejected with eventual membership conditional on various changes in the Greek economy.

He said the Commission was offering Greece second class membership.

The ambassadors were handed a memorandum in which the Government dismissed as "politically and morally unacceptable" the Commission's argumen[t] ... urged the EEC govern[ments to] redress the misdeed. ... is not prepared to acc[ept inte]gration in a manner ... offensive to the ... nity", it said.

What seems to h[ave im]pressed the diplomats ... evident resentment ... Prime Minister and ... tinu that he had ... sonally "betrayed" by ... Member governments ... had encouraged him ... for full membership ... fall of the dictatorship ... posing any condi[tions] ... pledging their full ... Now was the time ... honour their promise.

He was shocked ... Commission had ... Greek-Turkish disp[ute an] obstacle to Greece's ... He hoped the Coun[cil minis]ters would not ... Commission's ...

Firm proposals for Balkan relati[ons]

From Mario Modiano
Athens, Feb 1

Experts from five Balkan countries meeting in Athens have made concrete proposals for multilateral cooperation. The secretariat of the conference is coordinating these proposals.

However, old Balkan inhibitions and built-in mistrust have slowed down the initial impetus. The main question is how to ensure the continuity of this first contact. The meeting is expected to end on Tuesday or Wednesday.

The initiative for this unprecedented meeting was taken by Mr Karamanlis, the Greek Prime Minister, who is convinced that regional cooperation could help Bulgaria, Greece, Romania, Turkey and Yugoslavia to curb their mutual feuds and improve relations.

A welcome development was that the Turkish delegation, after expressing at first scepticism about the project, adopted a constructive approach and put forward concrete proposals.

Mr C... Gokmen, the leader of the Turkish delegation, suggested to the conference five areas for cooperation: agriculture, in which he analysed 12 sections open for collaboration, energy, including the linking of national power networks as well as the joint exploitation of solar energy; transport and telecommunications, with the possibility of a trans-Balkans highway; trade, with emphasis on joint marketing of common products, and the protection of the environment including an early warning and mutual assistance system for natural disasters or even the joint construction of housing for disaster victims.

Proposals were also made by Mr Nicolae Stefan, the Romanian Deputy Minister for Foreign Trade, who emphasized the possibility of cooperation in tourism as well as in mining and geological exploration. The meeting is facing difficulties because it is clear that the Bulgarian delegation has a very limited mandate and is kept out of the mainstream of the conference by the need to consult Sofia at all steps. One side-effect of this was that the talks have been so clogged over procedure (whether this was a conference, a meeting, a reunion or something else) ... committee ... while the plenary went ahead with ... tial business.

The prevailing ... best illustrated by ... suggestion that Balkan ... tion should not ... formation of an ... but should also ... non-Balkan states ... the Soviet Union.

Most delegations ... the hope ... although absent, ... informed so that ... should conditions ... could join.

The question ... will be the next ... mish delegation ... that each of the ... should take care ... for collaboration ... experts to work ... sals for presentat[ion at the] next meeting.

Will there be a ... ing? All the ... except the Bulgar[ian] are in favour of ... and the place. ... decision will probab[ly be taken] tomorrow or on ... which time the Bul[garians] have had their ... from Sofia.

Police discuss drugs strategy

By Stewart Tendler

Fifty police officers from European drug squads begin a two-day conference in Paris today to discuss ways of combating the growing influx of hard drugs into Europe.

They will have before them figures from Interpol showing that seizures of the two hard drugs increased dramatically last year. In the case of heroin the seizures were almost double the 145 kilograms (330lb) uncovered in 1974, and the amount of cocaine was more than double the 20 kilograms (44lb) found that year.

Seizures of the two drugs have been growing gradually in the past few years. The Interpol figures represent only drugs discovered in connexion with international trafficking and officers say that part of the increase is due to better and quicker reporting of finds to Interpol's drugs bureau.

After taking this factor into account, they have no doubts that Europe has grown into an important market for illegal drugs.

Only a few years ago Marseilles was the main European centre for heroin, much of it being passed on to the United States. When the police officers met last year there were fears that Marseilles might regain its eminence after Turkey decided to permit the opium poppy to be cultivated again.

Today they will be told that Turkish controls seem to have worked and Marseilles is dormant. But Amsterdam has gone from strength to strength as a new centre for drug importing, emerging as a main distribution point for heroin from the Far East.

The financing and organization remain in the hands of the Asian community in Amsterdam and other Dutch cities. The network has been broadened to use surrounding countries, as well as the Netherlands, for importation. As a result police have made big seizures in France and Belgium.

In the United Kingdom the Home Office and the police believe the heroin problem has been contained, but seizures have also doubled from the two kilograms (4.40lb) found in 1974.

This is still very small compared with the biggest seizure in Europe last year when police searched 44 passengers on a flight from Kuala Lumpur to Vienna and Brussels. Hidden in the passengers' luggage was 34 kilograms (74.8lb) of heroin.

The Dutch are now reorganizing their resources and planning a national drug unit, similar to the one in Britain, as one of their weapons against the smugglers.

Japan's rail unions plan strikes over punishments

From Our Own Correspondent
Tokyo, Feb 1

Japan's national railway system is expected to be thrown into chaos during the next two months when the powerful railway unions launch a series of campaigns for higher wages and the right to strike.

Train services were disrupted over the weekend when railwaymen began working to rule in protest against the Government's decision to punish 5,405 members of two unions for taking part in an illegal strike at the end of last year which paralysed the entire system.

Fifteen senior trade unionists have been dismissed, 270 men suspended from work, the wages of another 1,449 cut and 3,671 reprimanded.

The railways board has also demanded £33m from the two largest unions, the National Railway Workers' Union (Kokuro) and the National Railway Motive Power Union (DORO), as compensation for the losses it incurred during the eight-day stoppage in November and December. The strike, a protest against the ban on public workers withdrawing their labour, disrupted 143,111 rail services and delayed 3,950,000 tons of goods.

Both unions have rejected the demand for compensation and the railways are expected to take them to court.

The present work to rule is limited to goods trains but several passenger and express trains were delayed on national routes over the weekend. The unions intend stepping up the campaign and it is expected to culminate in a massive walkout.

This document contains particulars given in compliance with the Regulations of the Council of The Stock Exchange for the purpose of giving information to the public with regard to London & Scottish Marine Oil Company Limited ("LSMO") and Scottish Canadian Oil & Transportation Company Limited ("SCOT"). Copies of this document, having attached thereto the documents specified in paragraph 10(b) of Appendix VIII below have been delivered to the Registrar of Companies for registration. Application has been made to the Council of The Stock Exchange for the admission to the Official List of the Oil Production Stocks and the 14 per cent. Unsecured Loan Stocks 1981/83 of LSMO and SCOT.

London & Scottish Marine Oil Company Limited

Issues of
5,750,000 UNITS of 10p each of OIL PRODUCTION STOCK ("OPS") at a price of 10p per Unit, payable in full on application;
and
£57,500,000 14 per cent. UNSECURED LOAN STOCK 1981/83 ("Loan Stock") at a price of £100 per cent., payable as to £50 per cent. on application and as to £50 per cent. on 16th July, 1976.

SCOT

Scottish Canadian Oil & Transportation Company Limited

Issues of
1,750,000 UNITS of 10p each of OIL PRODUCTION STOCK ("OPS") at a price of 10p per Unit, payable in full on application;
and
£17,500,000 14 per cent. UNSECURED LOAN STOCK 1981/83 ("Loan Stock") at a price of £100 per cent., payable as to £50 per cent. on application and as to £50 per cent. on 16th July, 1976.

Applications for the Loan Stocks and OPS, which must be made on the separate Application Forms provided marked "A" and "B" for LSMO and "C" and "D" for SCOT, can be made only on the terms and conditions set out below. The Directors of LSMO and the Directors of SCOT will give preference to successful applicants for Loan Stock in allotting Units of OPS of the same company up to a maximum of 10 Units for every £100 of Loan Stock allotted. Any allotment of Units above this level will be entirely at the discretion of the Directors of the relevant company.

These issues have been underwritten by Morgan Grenfell & Co. Limited. Under the underwriting arrangements, certain sub-underwriters between them have undertaken to make firm applications for a total of 3,830,000 Units of OPS and a total of £38,300,000 Loan Stock of LSMO, and for a total of 1,160,000 Units of OPS and a total of £11,600,000 Loan Stock of SCOT, and the Directors of LSMO and SCOT respectively have agreed to allot these applications in full.

Brokerage of 25p per £100 nominal of the Loan Stocks will be allowed to recognised bankers and stockbrokers on allotments made in respect of applications bearing their stamp and VAT registration number if applicable. This brokerage will not, however, be paid in respect of an application (including a firm application) which arises out of a sub-underwriting commitment, or where the banker or stockbroker would be entitled to receive in brokerage a total of less than £1.

Application lists for the OPS and the Loan Stocks will open at 10 a.m. on Thursday, 5th February, 1976, and may be closed at any time thereafter.

Brief descriptions of the OPS and the Loan Stocks are set out in Part 3 of this document, and particulars appear in Appendices VI and VII respectively.

30th January, 1976.

ntroduction

The purpose of the issues is to provide London & Scottish Marine Oil Company Limited ("LSMO") and Scottish Canadian Oil & Transportation Company Limited ("SCOT") with funds to be used towards their shares (currently estimated to be 6.9 per cent. and 2.1 per cent. respectively) of the capital cost of developing the Ninian Field ("the Field") and associated facilities.

LSMO and SCOT have a number of shareholders and directors in common. It is intended that the two companies should be merged in due course, and that a listing for the shares of the enlarged company should be sought.

Two securities are being issued by each company, and application has been made to the Council of The Stock Exchange for their admission to the Official List.

Each company is issuing a number of Units of Oil Production Stock ("OPS"), which is a new type of security, entitling the holders to receive payments (which, although not dividends, will for tax purposes be treated as distributions) related to the value of petroleum production from an interest in the Field equivalent to each company's present interest, and thus to participate in changes in both the volume and the value, expressed in sterling terms, of such production.

Each company is also issuing a 14 per cent. Unsecured Loan Stock 1981/83 ("Loan Stock").

Brief descriptions of the OPS and the Loan Stocks are given in Part 3 of this document, and particulars thereof in Appendices VI and VII.

Although the Ninian Project is proceeding as described in detail in Part 4, and companies with substantial interests and experience in the oil industry are committing large sums to the Project, the Directors of LSMO and SCOT stress that LSMO and SCOT can, with their present combined 9 per cent. interest, exercise only limited voting power on decisions relating to the Project, including the rate of production. Furthermore, investment in oil exploration and development carries a high degree of risk, and factors such as economic and weather conditions, which are beyond the control of LSMO and SCOT and of the participants as a whole, can have a major effect on the timing, progress and outcome of the Project.

The Directors of LSMO and SCOT also wish to stress that the figures in paragraphs 6 and 16, and in paragraph 18, are set out for illustrative purposes only and on no account should be taken as forecasts. They must be read in conjunction with the assumptions and notes set out in those paragraphs. Furthermore, the figures in paragraphs 7 and 15, which are the latest estimates of capital expenditure available to the Directors and which, it should be noted, include substantial escalation and contingency provisions, may alter as the Project progresses.

Parts 1 and 2 of this document set out details concerning LSMO and SCOT respectively. Part 3 sets out details of the securities now being issued, and Part 4 contains details of the Ninian Project.

ondon & Scottish Marine Oil Company Limited

corporated in England under the Companies Acts 1948 to 1967; Registered Number 1008865.)

The Directors of LSMO collectively and individually accept full responsibility for the accuracy of the information given in this document so far as it is relevant to the issues by LSMO, and confirm, having made all reasonable enquiries, that, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein relevant to such issues misleading.

irectors
GEORGE FREDERICK BEAUMONT GRANT (*Chairman*), Church House, Washington, Pulborough, Sussex RH20 4AS.
GEOFFREY WILLIAM SEARLE, C.B.E., D.S.C., F.C.A. (*Managing Director*), 104 Mountjoy House, Barbican, London EC2Y 8BP.
MICHAEL JEREMY KINDERSLEY BELMONT, Gaunt House, Standlake, Oxfordshire OX8 7QA.
EDWARD BINKS, White Lodge, Adel Lane, Leeds LS16 8BP.
WILLIAM GRANT COCHRANE, 4 Primrose Bank Road, Edinburgh EH5 3JH.
GRAHAM PAUL LEDEBOER, D.F.C., Pinewood, Fulmer, Buckinghamshire SL3 6JR.
SIR JOHN HARLING MUIR, Bart., T.D., D.L., Blair Drummond, Perthshire, by Stirling.
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Alternate Directors
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WILLIAM WAYNE GREENTREE (*Canadian*) (*Alternate to Mr. J. M. Pierce*), Woodside, Welcomes Road, Kenley, Surrey.

Secretaries
James Finlay & Co. Limited, Hellenic House, 87/97 Bath Street, Glasgow G2 2EZ.

Registered Office
12 Tokenhouse Yard, London EC2R 7AN.

Share Capital
Authorised £7,500,000 in shares of £1 each .. .. .. *Issued and fully paid* £7,415,340

Loan Capital
Now being issued
£575,000 in 5,750,000 Oil Production Stock Units of 10p each
£57,500,000 in 14 per cent. Unsecured Loan Stock 1981/83

LSMO has outstanding £12,068,200 Floating Rate Unsecured Loan Stock 1976, which it is intended will be repaid out of the proceeds of the LSMO issues.

Save as disclosed above and for intra-group transactions, neither LSMO nor any of its subsidiaries has outstanding any borrowings or indebtedness in the ure of borrowing, including bank overdrafts, liabilities under acceptances or acceptance credits, mortgages, charges or hire-purchase commitments. Commitments ing from LSMO's participation in the Ninian Project are mentioned below; LSMO and its subsidiaries have no material contingent liabilities outstanding.

Scottish Canadian Oil & Transportation Company Limited

(Incorporated in England under the Companies Acts 1948 to 1967; Registered Number 970280.)

The Directors of SCOT collectively and individually accept full responsibility for the accuracy of the information given in this document so far as it is relevant to the issues by SCOT, and confirm, having made all reasonable enquiries, that, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein relevant to such issues misleading.

Directors
GEORGE FREDERICK BEAUMONT GRANT (*Chairman*), Church House, Washington, Pulborough, Sussex RH20 4AS.
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Alternate Directors
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WILLIAM WAYNE GREENTREE (*Canadian*) (*Alternate to Mr. J. M. Pierce*), Woodside, Welcomes Road, Kenley, Surrey.

Secretaries
James Finlay & Co. Limited, Hellenic House, 87/97 Bath Street, Glasgow G2 2EZ.

Registered Office
12 Tokenhouse Yard, London EC2R 7AN.

Share Capital
Authorised £7,500,000 in shares of £1 each .. .. .. *Issued and fully paid* £5,400,000

Loan Capital
Now being issued
£175,000 in 1,750,000 Oil Production Stock Units of 10p each
£17,500,000 in 14 per cent. Unsecured Loan Stock 1981/83

SCOT has outstanding £3,700,000 Floating Rate Unsecured Loan Stock 1976, which it is intended will be repaid out of the proceeds of the SCOT issues.

Save as disclosed above, SCOT has outstanding no borrowings or indebtedness in the nature of borrowing, including bank overdrafts, liabilities under acceptances or acceptance credits, mortgages, charges or hire-purchase commitments. Commitments arising from SCOT's participation in the Ninian Project are mentioned below; SCOT has no material contingent liabilities outstanding.

SMO and SCOT

nancial Advisers
Morgan Grenfell & Co. Limited, 23 Great Winchester Street, London EC2P 2AX.

okers
Cazenove & Co., 12 Tokenhouse Yard, London EC2R 7AN, and The Stock Exchange.
R. C. Greig & Co., 139 St. Vincent Street, Glasgow G2 5JP, and The Stock Exchange.

ustees
for the holders of the OPS: Commercial Union Assurance Company Limited, St. Helen's, 1 Undershaft, London EC3P 3DQ.
for the holders of the Loan Stocks: General Accident Fire and Life Assurance Corporation Limited, General Buildings, Perth PH1 5TP.

Solicitors
to LSMO and to SCOT: Slaughter and May, 35 Basinghall Street, London EC2V 5DB.
to Morgan Grenfell & Co. Limited: Freshfields, Grindall House, 25 Newgate Street, London EC1A 7LH.
to the Trustees: Linklaters & Paines, Barrington House, 59/67 Gresham Street, London EC2V 7JA.

Auditors and Reporting Accountants
to LSMO: Whinney Murray & Co., *Chartered Accountants*, 175 West George Street, Glasgow G2 2LD.
to SCOT: Arthur Young McClelland Moores & Co., *Chartered Accountants*, 151 West George Street, Glasgow G2 2JF.

Technical Advisers
Ranger Oil (U.K.) Limited, Glen House, Stag Place, London SW1E 5AG.

Reporting Petroleum Consultants
DeGolyer and MacNaughton, One Energy Square, Dallas, Texas 75206, U.S.A.

Bankers
to LSMO: Williams & Glyn's Bank Limited, 67 Lombard Street, London EC3P 3DL.
to SCOT: The Royal Bank of Scotland Limited, 62 Lombard Street, London EC3P 3OE.

Receiving Bankers, Registrars and Transfer Office
Williams & Glyn's Bank Limited, 16 Old Broad Street, London EC2N 1DL.

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continued overleaf

Part 1: London & Scottish Marine Oil Company Limited

1. THE COMPANY

(a) History and Business

LSMO was incorporated in England on 23rd April, 1971 for the purpose of exploring for and producing oil and gas, principally in the United Kingdom sector of the North Sea. Its shareholders are predominantly English and Scottish insurance companies and investment trusts.

In 1972, LSMO, in association with others, was granted three licences to explore for and produce oil and gas in the United Kingdom sector of the North Sea. During 1975, LSMO extended its interests in these Licences by acquisitions from Cawoods Holdings Limited ("Cawoods") and National Carbonising Company, Limited ("NCC"). Details of these Licences and LSMO's interests therein are set out in paragraph 3 below and in Appendix II.

In January 1974, oil was discovered in Block 3/8, in which LSMO has a 23 per cent. interest, and the existence of a major oil field in that Block and in the adjacent Block 3/3 was subsequently confirmed as a result of further exploratory drilling. The field, which has been named the Ninian Field ("the Field"), and in which LSMO's interest (on the basis of its 23 per cent. interest in Block 3/8) is currently estimated at 6.9 per cent., is one of the largest yet discovered in the United Kingdom sector of the North Sea. Work is at present under way to develop the Field commercially.

Since its formation, LSMO has been advised by Ranger Oil (U.K.) Limited ("Ranger") in relation to applications for licences, exploration of areas awarded, development of the Field and other technical matters. Ranger, which is a participant in all the Licences in which LSMO has an interest, is a wholly owned subsidiary of Ranger Oil (Canada) Limited ("Ranger Canada"); Ranger Canada's business is the exploration for, and development and production of, oil and gas in several areas of the world. Further information about Ranger and Ranger Canada is set out in paragraph 5 below.

(b) The Future

The prosperity of LSMO in the next few years is largely dependent on the successful exploitation of its interest in the Field. LSMO may apply for further licences in the United Kingdom sector of the North Sea and elsewhere, should suitable opportunities arise, but such applications and any exploration costs arising therefrom, or from any further exploration on LSMO's existing Licences, will be financed independently and not from the moneys being raised by the present issues.

Discussions have taken place in the past with a view to a merger between LSMO and SCOT. However, SCOT is currently participating in the drilling of an exploration well in Block 23/27, in which LSMO is not a participant. Accordingly, the merger discussions have been suspended but will be resumed as soon as possible with the intention of effecting the merger during 1976. As shown in Appendix II, SCOT is a participant in two of the licences in which LSMO is interested, including that relating to Block 3/8, and it has an interest in one other North Sea licence. LSMO and SCOT have a number of shareholders and Directors in common. It is the intention that a merger would involve the consolidation into single issues of the two OPS and the two Loan Stock issues now being made by the two companies, and that a listing on The Stock Exchange would be sought for the share capital of the combined company.

2. BRIEF DESCRIPTION OF THE NINIAN PROJECT

The principal asset of LSMO is its interest, currently estimated to be 6.9 per cent., in the Ninian Project ("the Project"), described in greater detail in Part 4 below. The Project comprises the development of the Field, the construction of the Ninian pipeline ("the Pipeline") and a share in the terminal facilities now being built at Sullom Voe in the Shetland Islands. LSMO's full enjoyment of its interest in the Project is contingent upon its meeting its share of all the costs related to the Project, and an estimate of LSMO's share of the capital cost is given in paragraph 7 below. Production is scheduled to commence in the second quarter of 1978.

The Field is located some 85 miles east of the Shetland Islands in water approximately 450 feet deep. The oil reservoir lies some 10,000 feet below sea level in Middle Jurassic sandstone, which has been proved productive elsewhere in the North Sea. The locations of the Field and other Blocks in which LSMO is interested are shown in Map 1.

The Field is being developed as a joint enterprise between the participants in Blocks 3/3 and 3/8. The Project is managed by the Ninian Management Committee ("NMC") and other committees, on which the participants in the Field are represented. Chevron Petroleum (U.K.) Limited ("Chevron") has been appointed Operator for the Field by NMC; BP Petroleum Development Limited ("BP") has been appointed Constructor and Operator for the Pipeline, and Constructor for the terminal facilities. With certain exceptions which require unanimous agreement, all decisions of NMC require an affirmative vote of not less than 75 per cent., and are binding upon all participants in the Project. LSMO, with its present interest, can therefore only exercise limited voting power on decisions relating to the Project.

NMC has decided on an 84-well, two platform development, on which work has already commenced and on which heavy capital expenditure is now being incurred. However, it is likely that additional production facilities will be incorporated into the development in due course. Various alternatives are being considered as to how best to provide these facilities and when to install them, but a decision is not expected before the middle of 1976 at the earliest.

Independent petroleum consultants, DeGolyer and MacNaughton, were instructed to report on the reserves in the Field and to produce certain production forecasts. Their report is set out in Appendix I. **It will be seen from that report that DeGolyer and MacNaughton estimate, on the basis of the information provided to them by holders of the licences, that the recoverable oil from the Field is 963,318,000 barrels of proved oil reserves and 146,065,000 barrels of probable oil reserves. DeGolyer and MacNaughton also estimate that primary natural gas liquids available amount to some 20,000,000 additional barrels.**

On the basis of information on the planned development programme provided by Ranger, which includes an assumption that production will commence in the second half of 1978, DeGolyer and MacNaughton have predicted that, by the end of the year 2000, the Field will have produced 772,123,000 barrels of proved oil and 117,420,000 barrels of probable oil (889,543,000 in total). DeGolyer and MacNaughton have also made an alternative prediction, based on the addition of certain further production facilities, which shows oil produced to the middle of the year 1998 at 890,215,000 barrels of proved oil and 135,378,000 barrels of probable oil (1,025,593,000 in total).

Either of the plans could result in greater or lesser volumes of oil being recovered than those shown above if the Field characteristics, or if the location of the wells or the oil production plan which NMC finally adopts, differ from those assumed. If future technological advances in methods of recovery can be applied to the Field, or if conditions, and in particular the oil price, at the time make it economic to prolong the productive period, a greater volume of oil might be recovered.

3. LICENCE AND OTHER INTERESTS OF LSMO

LSMO is a participant in the three Licences referred to below. The minimum work obligation imposed by each of them has been completed and, as far as the Directors are aware, all other provisions of the Licences have been complied with. LSMO also has an investment in European Marine Oil N.V. Details of the Licence interests of LSMO and a summary of the principal terms governing such Licences are given in Appendix II, where it is explained that, six years after the issue of a licence, the licensee must surrender half the acreage of the area covered by the licence. Since the licensee may choose which sections of the licence are to be surrendered (within specified limits), the Directors consider that the consequent reduction in the licensed areas will not require LSMO to surrender any interest in the Field or any other area presently considered to be of potential commercial value.

Licence P.199

LSMO has a 23 per cent. interest in Licence P.199, which relates to Block 3/8. Block 3/8 includes part of the Field, which was first discovered with Well 3/8-1, and subsequently confirmed as a major field by drilling in Block 3/3 and by a second Well, 3/8-2.

Outside the limits of the Field, but still within Block 3/8, two other geological structures have been explored by drilling two further wells. Well 3/8-3 encountered oil-bearing sands; however it cannot be ascertained from the results of this well whether the accumulation is commercial. Well 3/8-4 was drilled as a joint well with the licensees of Block 3/13 near the mutual boundary in the south-east corner of Block 3/8. This well tested small quantities of hydrocarbons in what is believed to be a north-westerly extension of the Alwyn Field.

Licence P.128

LSMO has a 22.5 per cent. interest in Licence P.128, which covers Blocks 48/18b and 48/19b. The work obligation to drill one exploration well has been completed; the well has resulted in a gas discovery, which is not considered to be commercial at this time.

Licence P.229

LSMO has a 50 per cent. interest in Licence P.229, which covers Blocks 3/30, 4/21, 4/28 and 21/18. The work obligation to carry out a seismic survey and to drill two exploration wells has been completed and the wells plugged and abandoned.

European Marine Oil N.V.

LSMO owns 250,000 shares of U.S. $1 par value, 60c paid, of European Marine Oil N.V. ("EMO"), which represents 12.5 per cent. of its issued equity capital. EMO, which is incorporated in the Netherlands Antilles, is a member of a drilling partnership exploring in North America. It is also participating in an exploration licence to drill off the Atlantic Coast of Spain and has applied with other companies for an exclusive exploration licence offshore the Irish Republic. For each of these projects, the Operator is Ranger Canada or one of its subsidiaries.

4. DIRECTORS AND MANAGEMENT OF LSMO

Mr. G. F. B. Grant, the Chairman, is Deputy Chairman of Commercial Union Assurance Company Limited and a Director of Witan Investment Company Limited, both of which companies are shareholders in LSMO.

Mr. G. W. Searle has been Managing Director since August 1974. Mr. Searle joined the Anglo-Iranian Oil Company Limited (now The British Petroleum Company Limited) in 1946 and, prior to his retirement in March 1974, was Director of Finance and Planning and Chairman of the Executive Committee of BP Trading Limited, the principal trading subsidiary of The British Petroleum Company Limited. Mr. Searle, who is 61, is also Managing Director of SCOT and is Chairman of Star Offshore Services Limited, a company formed in 1974 to provide services for the oil industry in offshore operations.

Mr. M. J. K. Belmont and Mr. P. J. Smith, his Alternate, are partners in Cazenove & Co., Members of The Stock Exchange. Mr. Belmont is also a Director of EMO.

Mr. E. Binks is Chairman and Managing Director of Cawoods Holdings Limited, a shareholder in LSMO.

Mr. W. G. Cochrane is the Investment Manager of The Edinburgh Investment Trust Limited, a shareholder in LSMO.

Mr. G. P. Ledeboer is a Director of The Mercantile Investment Trust Limited, a shareholder in LSMO.

Sir John Muir, Bart. is a Director of James Finlay & Co. Limited, Secretaries to and a shareholder in LSMO. He is also a Director of Scottish United Investors Limited, a shareholder in LSMO.

Mr. J. M. Pierce is President of, and a substantial shareholder in, Ranger Canada, the parent company of Ranger. He is also Chairman of Ranger and a Director of EMO. Mr. W. W. Greentree, his Alternate, is a Vice President of Ranger.

Mr. O. F. G. Stroud is Chief Executive of National Carbonising Company, Limited, a shareholder in LSMO.

Mr. H. D. H. Wills is a Director of Malton Investment Trust Limited, a shareholder in LSMO.

Mr. Searle is the only executive director of LSMO and is assisted by a small staff, which is shared with SCOT. Secretarial and accounting services are provided by James Finlay & Co. Limited, and technical and other services are provided by Ranger, as mentioned in paragraph 5 below.

5. SERVICES PROVIDED BY RANGER

Under an agreement dated 21st January, 1976 (but deemed to have been operative since 1st July, 1974), Ranger provides LSMO with administrative and supervisory services and general advice on relevant technical aspects in relation to the Project.

Ranger represents LSMO on NMC and other committees relating to the Project on which LSMO is entitled to be represented and, except to the extent that LSMO otherwise instructs it, is entitled to vote and commit LSMO as Ranger deems appropriate.

The consideration payable to Ranger by LSMO under the agreement consists of LSMO's proportionate share of the expenses incurred by Ranger in relation to the Project on behalf of members of the Ranger Group (which consists of Ranger, LSMO and SCOT), and a sum in respect of services in relation to the Project provided by Ranger Canada outside the United Kingdom.

The agreement continues until 1999 unless previously terminated by either party giving not less than twelve months' notice. Ranger Canada has undertaken to ensure that Ranger is at all times in a position to fulfil its obligations under this agreement.

Ranger represents the Ranger Group in dealings with BP as Operator in respect of Licence P.199. Ranger acts as Operator in respect of Licences P.128 and P.229. LSMO has acted in close co-operation with Ranger and has been able to rely upon Ranger's technical and other supporting services in connection with the whole of its exploration programme.

Ranger is a subsidiary of Ranger Canada, which was incorporated in Ontario in 1950, and whose shares are listed on the Toronto, American and the London Stock Exchanges. Although Ranger Canada's activities were originally concentrated in Canada and the United States it now has interests in several other areas of the world, including the North Sea where its involvement is substantial.

Ranger first carried out an extensive technical survey of the United Kingdom sector of the North Sea in 1964 when it applied unsuccessfully, for a production licence in the first round of licence awards. In 1970, it again applied for a production licence, this time successfully, with SCOT and another company, and in 1972 it shared in the grant of the three Licences referred to in paragraph 3. Since 19[illegible] Ranger as Operator has drilled seven wells in the United Kingdom sector of the North Sea and is currently drilling an eighth well. It [illegible] also participated with BP or Esso Exploration Norway Inc. in [illegible] further wells in the North Sea.

Over the past five years, Ranger has employed in the United Kingdom an experienced team of engineers, geologists, geophysicists and management personnel for work on the North Sea.

6. STATE PARTICIPATION

Her Majesty's Government's intention to seek majority State participation in commercial fields held under existing licences was set out in the White Paper "U.K. Offshore Oil and Gas Policy", published in 1974. Since publication of this White Paper, it has been confirmed in Ministerial statements that participation negotiations are voluntary, and that it is intended that participation will leave the companies concerned financially neither better nor worse off than if they had not entered into participation agreements.

The Directors of LSMO considered that it would be in the best interests of LSMO to enter into discussions with the Government and in May 1975 agreed to early negotiations regarding the acquisition by the Government of a 51 per cent. participation in LSMO's commercial discoveries in the North Sea, and agreed in principle to such participation subject to satisfactory terms. Initial negotiations were aimed at an agreement under which the British National Oil Corporation ("BNOC") would, when incorporated, obtain 51 per cent. of LSMO's interest in the Project and would, in return for a reward to be agreed, contribute proportionately towards the capital costs of the Project. The text of a letter dated 14th November, 1975 from the Department of Energy outlining possible bases for such an agreement is set out in Appendix III.

Following further discussions with the Department of Energy, the Directors have now decided that the interests of LSMO would be best served by LSMO continuing to finance its present full interest in the Project without seeking any contribution from BNOC. The text of a further letter dated 20th January, 1976 from the Department of Energy confirming that, in this event, LSMO will continue to enjoy the full financial benefit of its present interest in the Project and that accordingly it will be financially neither better nor worse off is also set out in Appendix III. The letter indicates that a participation agreement on this new basis could take a form by which BNOC would obtain title to 51 per cent. of LSMO's interest in the Field, participating in the operating committees and enjoying its proportionate voting rights; LSMO would remain responsible for all exploration, development and operating costs (including Government royalties) but would continue to own beneficially all relevant assets and all petroleum produced, subject to BNOC having an option (under an option agreement on commercial terms) to purchase 51 per cent. of the production at market price.

Any agreement under which LSMO transfers or disposes of a part or all of its interest in the Field would be subject to certain pre-emptive rights, which would allow the other participants in Licence P.199 an opportunity to acquire that interest on terms and conditions

Part 2: Scottish Canadian Oil & Transportation Company Limited

9. THE COMPANY

(a) History and Business

SCOT was incorporated in England on 15th January, 1970 for the purpose of exploring for and producing oil and gas, principally in the United Kingdom sector of the North Sea. Its shareholders are predominantly Scottish and English insurance companies and investment trusts.

SCOT, in association with others, has been granted three licences, one in 1970 and two in 1972, to explore for and produce oil and gas in the United Kingdom sector of the North Sea. Details of these Licences and SCOT's interests therein are set out in paragraph 11 below and in Appendix II.

In January 1974, oil was discovered in Block 3/8, in which SCOT *has a 7 per cent. interest, and the existence of a major oil field in that* Block and in the adjacent Block 3/3 was subsequently confirmed as a result of further exploratory drilling. The field, which has been named the Ninian Field ("the Field"), and in which SCOT's interest (on the basis of its 7 per cent. interest in Block 3/8) is currently estimated at 2.1 per cent., is one of the largest yet discovered in the United Kingdom sector of the North Sea. Work is at present under way to develop the Field commercially.

Since its formation, SCOT has been advised by Ranger Oil (U.K.) Limited ("Ranger") in relation to applications for licences, exploration of areas awarded, development of the Field and other technical matters. Ranger, which is a participant in all the Licences in which SCOT has an interest, is a wholly owned subsidiary of Ranger Oil (Canada) Limited ("Ranger Canada"); Ranger Canada's business is the exploration for, and development and production of, oil and gas in several areas of the world. Further information about Ranger and Ranger Canada is set out in paragraph 13 below.

(b) The Future

The prosperity of SCOT in the next few years is largely dependant on the successful exploitation of its interest in the Field. SCOT may apply for further licences in the United Kingdom sector of the North Sea and elsewhere, should suitable opportunities arise, but such applications and any exploration costs arising therefrom, or from any current or further exploration on SCOT's existing Licences, will be financed independently and not from the moneys being raised by the present issues.

Discussions have taken place in the past with a view to a merger between SCOT and LSMO. However, SCOT is currently participating in the drilling of an exploration well in Block 23/27, in which LSMO is not a participant. Accordingly, the merger discussions have been suspended but will be resumed as soon as possible with the intention of effecting the merger during 1976. As shown in Appendix II, LSMO is a participant in two of the licences in which SCOT is interested, including *that relating to Block 3/8, and it has an interest in one other* North Sea licence. SCOT and LSMO have a number of shareholders and Directors in common. It is the intention that a merger would involve the consolidation into single issues of the two OPS and the two Loan Stock issues now being made by the two companies, and that a listing on The Stock Exchange would be sought for the share capital of the combined company.

10. BRIEF DESCRIPTION OF THE NINIAN PROJECT

The principal asset of SCOT is its interest, currently estimated to be 2.1 per cent., in the Ninian Project ("the Project"), described in greater detail in Part 4 below. The Project comprises the development of the Field, the construction of the Ninian pipeline ("the Pipeline") and a share in the terminal facilities now being built at Sullom Voe in the Shetland Islands. SCOT's full enjoyment of its interest in the Project is contingent upon its meeting its share of all the costs related to the Project, and an estimate of SCOT's share of the capital cost is given in paragraph 15 below. Production is scheduled to commence in the second quarter of 1978.

The Field is located some 85 miles east of the Shetland Islands in water approximately 450 feet deep. The oil reservoir lies some 10,000 feet below sea level in Middle Jurassic sandstone, which has been proved productive elsewhere in the North Sea. The locations of the Field and other Blocks in which SCOT is interested are shown in Map 1.

The Field is being developed as a joint enterprise between the participants in Blocks 3/3 and 3/8. The Project is managed by the Ninian Management Committee ("NMC") and other committees, on which the participants in the Field are represented. Chevron Petroleum (U.K.) Limited ("Chevron") has been appointed Operator for the Field by NMC; BP Petroleum Development Limited ("BP") has been appointed Constructor and Operator for the Pipeline, and Constructor for the terminal facilities. With certain exceptions which require unanimous agreement, all decisions of NMC require an affirmative vote of not less than 75 per cent., and are binding upon all participants in the Project. SCOT, with its present interest, can therefore only exercise limited voting power on decisions relating to the Project.

NMC has decided on an 84-well, two platform development, on which work has already commenced and on which heavy capital expenditure is now being incurred. However, it is likely that additional production facilities will be incorporated into the development in due course. Various alternatives are being considered as to how best to provide these facilities and when to install them, but a decision is not expected before the middle of 1976 at the earliest.

Independent petroleum consultants, DeGolyer and MacNaughton, were instructed to report on the reserves in the Field and to produce certain production forecasts. Their report is set out in Appendix I. **It will be seen from that report that DeGolyer and MacNaughton estimate, on the basis of the information provided to them by holders of the licences, that the recoverable oil from the Field is 963,318,000 barrels of proved oil reserves and 146,065,000 barrels of probable oil reserves. DeGolyer and MacNaughton also estimate that primary natural gas liquids available amount to some 20,000,000 additional barrels.**

On the basis of information on the planned development programme provided by Ranger, which includes an assumption that production will commence in the second half of 1978, DeGolyer and MacNaughton have predicted that, by the end of the year 2000, the Field will have produced 772,123,000 barrels of proved oil and 117,420,000 barrels of probable oil (889,543,000 in total). DeGolyer and MacNaughton have also made an alternative prediction, based on the addition of certain further production facilities, which shows oil produced to the middle of the year 1998 at 890,215,000 barrels of proved oil and 135,378,000 barrels of probable oil (1,025,593,000 in total).

Either of the plans could result in greater or lesser volumes of oil being recovered than those shown above if the Field characteristics, or if the location of the wells or the oil production plan which NMC finally adopts, differ from those assumed. If future technological advances in methods of recovery can be applied to the Field, or if conditions, and in particular the oil price, at the time make it economic to prolong the productive period, a greater volume of oil might be recovered.

11. LICENCE AND OTHER INTERESTS OF SCOT

SCOT is a participant in the three Licences referred to below. Except as mentioned under P.114 below, the minimum work obligation imposed by each of them has been completed and, as far as the Directors are aware, all other provisions of the Licences have been complied with. SCOT also has an investment in European Marine Oil N.V. Details of the Licence interests of SCOT and a summary of the principal terms governing such Licences are given in Appendix II, where it is explained that, six years after the issue of a licence, the licensee must surrender half the acreage of the area covered by the licence. Since the licensee may choose which sections of the licence are to be surrendered (within specified limits), the Directors consider that the consequent reduction in the licensed areas will not require SCOT to surrender any interest in the Field or any other area presently considered to be of potential commercial value.

Licence P.199

SCOT has a 7 per cent. interest in Licence P.199, which relates to Block 3/8. Block 3/8 includes part of the Field, which was first discovered with Well 3/8-1, and subsequently confirmed as a major field by drilling in Block 3/3 and by a second Well, 3/8-2.

Outside the limits of the Field, but still within Block 3/8, two other geological structures have been explored by drilling two further wells. Well 3/8-3 encountered oil-bearing sands; however it cannot be ascertained from the results of this well whether the accumulation is commercial. Well 3/8-4 was drilled as a joint well with the licensees of Block 3/13 near the mutual boundary in the south-east corner of Block 3/8. This well tested small quantities of hydrocarbons in what is believed to be a north-westerly extension of the Alwyn Field.

Licence P.114

SCOT has a 45 per cent. interest in Licence P.114, which covers Blocks 22/19, 22/27, 23/11 and 23/27. The work obligation to carry out a seismic survey and to drill four exploration wells will be completed when Well 23/27-3, which is currently being drilled, reaches its projected total depth. Wells 23/27-1, 23/27-2 and 23/11-1 have been plugged and abandoned.

Licence P.229

SCOT has a 1 per cent. interest in Licence P.229, which covers Blocks 3/30, 4/21, 4/26 and 21/18. The work obligation to carry out a seismic survey and to drill two exploration wells has been completed and the wells plugged and abandoned.

European Marine Oil N.V.

SCOT owns 50,000 shares of U.S. $1 par value, 60c paid, of European Marine Oil N.V. ("EMO"), which represents 2.5 per cent. of its issued equity capital. EMO, which is incorporated in the Netherlands Antilles, is a member of a drilling partnership exploring in North America. It is also participating in an exploration licence to drill off the Atlantic Coast of Spain and has applied with other companies for an exclusive exploration licence offshore the Irish Republic. For each of these projects, the Operator is Ranger Canada or one of its subsidiaries.

12. DIRECTORS AND MANAGEMENT OF SCOT

Mr. G. F. B. Grant, the Chairman, is Deputy Chairman of Commercial Union Assurance Company Limited and a Director of Witan Investment Company Limited, both of which companies are shareholders in SCOT.

Mr. G. W. Searle has been Managing Director since August 1974. Mr. Searle joined the Anglo-Iranian Oil Company Limited (now The British Petroleum Company Limited) in 1946 and, prior to his retirement in March 1974, was Director of Finance and Planning and Chairman of the Executive Committee of BP Trading Limited, the principal trading subsidiary of The British Petroleum Company Limited. Mr. Searle, who is 61, is also Managing Director of LSMO and is Chairman of Star Offshore Services Limited, a company formed in 1974 to provide services for the oil industry in offshore operations.

Mr. M. J. K. Belmont and Mr. P. J. Smith, his Alternate, are partners in Cazenove & Co., Members of The Stock Exchange. Mr. Belmont is also a Director of EMO.

Mr. G. P. Ledeboer is a Director of The Mercantile Investment Trust Limited, a shareholder in SCOT.

Sir John Muir, Bart. is a Director of James Finlay & Co. Limited, *Secretaries to SCOT. He is also a Director of Scottish United Investors* Limited, a shareholder in SCOT.

Mr. J. M. Pierce is President of, and a substantial shareholder in, Ranger Canada, the parent company of Ranger. He is also Chairman of Ranger and a Director of EMO. Mr. W. W. Greentree, his Alternate, is a Vice President of Ranger.

Mr. J. W. A. Shaw Stewart is Chairman of Stewart Fund Managers Limited, managers of the Scottish American Investment Company Limited, a shareholder in SCOT.

Mr. E. H. Vestey is Chairman of Blue Star Line Limited, a shareholder in SCOT, and is also a Director of Ranger. Lord Vestey, his Alternate, is a Director of Blue Star Line Limited.

Mr. Searle is the only executive director of SCOT and is assisted by a small staff, which is shared with LSMO. Secretarial and accounting services are provided by James Finlay & Co. Limited, and technical and other services are provided by Ranger, as mentioned in paragraph 13 below.

13. SERVICES PROVIDED BY RANGER

Under an agreement dated 21st January, 1976 (but deemed to have been operative since 1st July, 1974), Ranger provides SCOT with administrative and supervisory services and general advice on relevant technical aspects in relation to the Project.

Ranger represents SCOT on NMC and other committees relating to the Project on which SCOT is entitled to be represented and, except to the extent that SCOT otherwise instructs it, is entitled to vote and commit SCOT as Ranger deems appropriate.

The consideration payable to Ranger by SCOT under the agreement consists of SCOT's proportionate share of the expenses incurred by Ranger in relation to the Project on behalf of members of the Ranger Group (which consists of Ranger, SCOT and LSMO), and a sum in respect of services in relation to the Project provided by Ranger Canada outside the United Kingdom.

The agreement continues until 1999 unless previously terminated by either party giving not less than twelve months' notice. Ranger Canada has undertaken to ensure that Ranger is at all times in a position to fulfil its obligations under this agreement.

Ranger represents the Ranger Group in dealings with BP as Operator in respect of Licence P.199. Ranger acts as Operator in respect of Licences P.114 and P.229. SCOT has acted in close co-operation with Ranger and has been able to rely upon Ranger's technical and other supporting services in connection with the whole of its exploration programme.

Ranger is a subsidiary of Ranger Canada, which was incorporated in Ontario in 1950, and whose shares are listed on the Toronto, the American and the London Stock Exchanges. Although Ranger Canada's activities were originally concentrated in Canada and the United States it now has interests in several other areas of the world, including the North Sea where its involvement is substantial.

Ranger first carried out an extensive technical survey of the United Kingdom sector of the North Sea in 1964 when it applied unsuccessfully, for a production licence in the first round of licence awards. In 1970, it again applied for a production licence, this time successfully, with SCOT and another company, and in 1972 it shared in the grant of the three Licences referred to in paragraph 3. Since 19[illegible] Ranger as Operator has drilled seven wells in the United Kingdom sector of the North Sea and is currently drilling an eighth well. It [illegible] also participated with BP or Esso Exploration Norway Inc. in six further wells in the North Sea.

Over the past five years, Ranger has employed in the United Kingdom an experienced team of engineers, geologists, geophysicists and management personnel for work on the North Sea.

14. STATE PARTICIPATION

Her Majesty's Government's intention to seek majority State participation in commercial fields held under existing licences was set out in the White Paper "U.K. Offshore Oil and Gas Policy", published in 1974. Since publication of this White Paper, it has been confirmed in Ministerial statements that participation negotiations are voluntary and that it is intended that participation will leave the companies concerned financially neither better nor worse off than if they had not entered into participation agreements.

The Directors of SCOT considered that it would be in the best interests of SCOT to enter into discussions with the Government and in May 1975 agreed to early negotiations regarding the acquisition by the Government of a 51 per cent. participation in SCOT's commercial discoveries in the North Sea, and agreed in principle to such participation subject to satisfactory terms. Initial negotiations were aimed at an agreement under which the British National Oil Corporation ("BNOC") would, when incorporated, obtain 51 per cent. of SCOT's interest in the Project and would, in return for a reward to be agreed, contribute proportionately towards the capital costs of the Project. The text of a letter dated 14th November, 1975 from the Department of Energy outlining possible bases for such an agreement is set out in Appendix [illegible]

Following further discussions with the Department of Energy, [illegible] Directors have now decided that the interests of SCOT would be best served by SCOT continuing to finance its present full interest in the Project without seeking any contribution from BNOC. The text of a further letter dated 20th January, 1976 from the Department of Energy confirming that, in this event, SCOT will continue to enjoy the full financial benefit of its present interest in the Project and that accordingly it will be financially neither better nor worse off is also set out in Appendix III. The letter indicates that a participation agreement on this new basis could take a form by which BNOC would obtain title to [illegible] per cent. of SCOT's interest in the Field, participating in the operating committees and enjoying its proportionate voting rights; SCOT would remain responsible for all exploration, development and operating costs (including Government royalties) but would continue to own beneficially all relevant assets and all petroleum produced, subject to BNOC having an option (under an option agreement on commercial terms) to purchase 51 per cent. of the production at market price.

art 1: LSMO continued

materially less favourable than those on which such transfer or osal is proposed to take place. Any proposed State participation lving the transfer of title to a part of LSMO's interest would be ect to these pre-emptive rights.

Although LSMO has held extensive detailed negotiations h the Government since July 1975 on other bases, no ailed negotiations on the method by which participation ht be achieved without BNOC contributing towards ital costs have yet taken place. Should it prove impossible LSMO to negotiate an agreement which, in LSMO's view, es it no worse off or which would not achieve the desired ılts due to the exercise of the pre-emptive rights men- ed above, then LSMO would withdraw from the negotia- s which, as stated above, are voluntary.

ESTIMATED COSTS

Estimated capital cost of the Ninian Project

NMC has authorised the development of the Field on the basis vo production platforms, which together will have the capacity ill 84 wells. As described in greater detail in Part 4, work has ed on the platforms, the Pipeline and the terminal, which are the major components of the Project.

The Directors of LSMO have been advised by Ranger that ysis of the latest information provided by Chevron and BP shows stimated total cost for the Project of £1,138.9 million. The tables w show a break-down of this estimated cost between the main of the Project and also an estimated spread of this expenditure the years 1974 to 1982 inclusive.

	Base Cost £m.	*Escalation* £m.	*Contingency* £m.	*Total* £m.
platforms and related production facilities	500.2	186.0	31.6	717.8
line	168.3	45.3	27.4	241.0
inal facilities at Sullom Voe	97.2	63.0	19.8	180.0
	765.7	294.3	78.8	1,138.8

The total estimated costs are expected to arise as follows:—

1974/5	*1976*	*1977*	*1978*	*1979*	*1980*	*1981*	*1982*	*Total*
134.4	337.3	331.7	151.2	72.9	49.4	47.1	14.9	1,138.8

The escalation provisions are to cover increases in the general levels of materials and labour due to inflation. The contingency sions are to cover work and/or costs within the Project develop- plan which cannot be foreseen at the time of preparing an estimate, o cover the uncertainties inherent in any estimate.

Based on the above figures and its present 6.9 per cent. interest e Project, LSMO's share of the total estimated cost amounts to 9 million. At 31st December, 1975, LSMO had paid in respect of Project £9.3 million, leaving £69.3 million to be provided in the 1976 to 1982 inclusive on the assumption that the escalation and ingency provisions shown above will be those required.

Other cost factors

In addition to its contribution to the capital cost of the Project, as wn above, LSMO will have the following additional major expendi- in connection with the Project:—

(i) interest on the Loan Stock now being issued, and other financing costs;

(ii) half-yearly payments on the OPS once the Field is in production; and

(iii) payments to Ranger for past and future services under the agreement referred to in paragraph 5 above.

The costs related to the Project are expected to be reduced by osit interest on surplus cash balances available from time to time l also by sales of spare capacity, referred to in paragraph 24(c) and , in respect of both the Pipeline and the terminal facilities to ticipants in other fields in the vicinity of the Field. These sales of re capacity would effectively reduce the capital cost of the Project. ed on the sale of 50 per cent. of the capacity of the Pipeline and er cent. of the Ninian share of the terminal, LSMO's share of the savings is estimated at about £10 million.

8. REASONS FOR AND PROCEEDS OF THE ISSUES

The costs of fulfilling LSMO's Licence obligations and of meeting its share of the development expenditure on the Project have until now been borne mainly by its original shareholders. £6,667,215 has been subscribed in cash for equity, the remainder of its present equity capital having been issued in connection with the acquisitions from Cawoods and NCC referred to above. In addition, £12,068,200 Floating Rate Unsecured Loan Stock 1976, repayable on or before 31st March, 1976, was issued in 1975 and has been used as an interim measure to meet the costs of LSMO's share of the Project until early in 1976. However, LSMO's share of expenditure still to be incurred in developing the Field is substantial, and the Directors of LSMO consider it is now appropriate to seek funds from a larger body of investors on a longer term basis.

The proceeds of the issues (after deducting expenses estimated at £2.0 million) will amount to approximately £56.1 million.

The table set out below demonstrates a possible relationship between the issues and LSMO's cash requirements over the period 1976 to 1983 inclusive, based on the principal assumptions given below. The table is given for illustrative purposes only and should on no account be taken as a forecast. The principal assumptions and the notes should be read in conjunction with the figures.

It is considered that the illustration below demonstrates the principal features of the financing route chosen by LSMO. Changes in the assumptions on which the illustration is based could materially affect the situation: in particular, the date of commencement of oil production, the capital costs of the Project and the net revenue from oil sales are fundamental.

As appears from the illustration, the present issues are not likely to be sufficient to enable LSMO to meet the full cost of its share of developing the Project, although they should cover a substantial proportion of that cost, most of which is due to be expended by the fourth quarter of 1977. By then, it is expected that the two production platforms will have been towed out and positioned, and that the main elements of the Pipeline and terminal facilities will be nearing completion, and therefore a number of the major risks should have been eliminated.

The Directors of LSMO believe that, in view of the uncertainties inherent in any major project of this kind and, in this instance also, the uncertainties relating to additional production facilities for the Project, it is right to make issues of this size at the present time, leaving decisions as to the amounts of any further moneys required and the methods to be adopted to provide them until the actual needs have become clearer.

Principal Assumptions

It is assumed:—

(A) that the capital expenditure required will be for an 84-well, two platform development of the Field. The participants in the Project have discussed extensively the possibility of ordering additional production facilities in order to drain the reservoir of oil in the Field more effectively but, although NMC has decided that additional facilities may be required, no decision has been made on the nature of these additional facilities nor when they will be ordered or commissioned. Accordingly, no provision has been made in the table for the extra cost of any such facilities;

(B) that LSMO will be able to borrow or raise the sums required to meet any cash shortfalls arising during the period;

(C) that production will commence in the second half of 1978 and will take place according to Case 1 of the DeGolyer and MacNaughton report set out in Appendix I;

(D) that LSMO will sell the whole of its share of production of oil throughout the period at a price of U.S.$12.50 per barrel, which has been treated as equivalent to £6.20 per barrel (an exchange rate of U.S.$2.016 to £1);

(E) that any further exploration expenditure incurred by LSMO will not be met from the proceeds of the present issues;

(F) that LSMO finances, and has the benefit of, all its present interest in the Project, and that State participation will not affect this (see paragraph 6 above); and

(G) that the present rates, and system, of taxation (including the Government royalty) will remain unchanged throughout the period, and there will be no change in Government policy materially affecting production or LSMO's interest in the Project.

	Note	1976 £m	1977 £m	1978 £m	1979 £m	1980 £m	1981 £m	1982 £m	1983 £m	1976-83 £m
Opening cash surplus/(deficit) ..	(1)	4.8	26.1	(0.2)	(13.9)	(9.1)	10.4	37.6	69.8	4.8
CASH OUTFLOWS										
Capital expenditure on the Project ..	(2)	23.3	22.9	10.4	5.0	3.4	3.3	1.0	—	69.3
Other costs	(3)	0.9	0.6	0.5	0.5	0.6	0.5	0.5	0.5	4.5
Interest paid	(4)	3.0	8.0	9.1	9.7	8.0	9.1	8.0	10.7	64.6
Gross payments on the OPS	(5)	—	—	—	1.3	2.4	3.1	3.8	3.3	13.9
Repayment of Loan Stocks	(6)	12.1	—	—	—	—	—	—	57.5	69.6
Tax paid	(7)	—	—	—	—	—	—	—	14.7	14.7
Total cash outflows		39.2	31.5	20.0	16.5	14.4	15.0	13.3	86.7	236.6
CASH INFLOWS										
Net proceeds of the present issues ..		56.1	—	—	—	—	—	—	—	56.1
Interest received	(8)	1.2	1.0	—	—	0.1	1.9	4.3	3.4	11.9
Sale of spare capacity	(9)	3.2	4.2	2.0	0.4	0.1	—	—	—	9.9
Net revenue from oil sales	(10)	—	—	4.3	21.9	32.7	40.3	41.2	33.6	174.0
Total cash inflows		60.5	5.2	6.3	22.3	32.9	42.2	45.5	37.0	251.9
Net change		21.3	(26.3)	(13.7)	5.8	18.5	27.2	32.2	(49.7)	15.3
Closing cash surplus/(deficit) ..		26.1	(0.2)	(13.9)	(8.1)	10.4	37.8	69.8	20.1	20.1

NOTES:

(1) The cash surplus at the start of the period includes the proceeds of the final cash call of 55p per share (on 4,943,560 shares) received on or before 26th January, 1976.

(2) The capital expenditure figures are derived by taking 6.9 per cent. of the estimates of capital expenditure for the Project prepared by BP and Chevron; such expenditure is here assumed to be spread evenly within each year. They include substantial provisions for escalation and contingencies, LSMO's share of which amounts to £20.3 million and £5.4 million respectively over the period 1976 to 1982 inclusive.

(3) Other costs comprise estimates of the amounts payable to Ranger under the terms of the agreement referred to in paragraph 5 above, including amounts payable in 1976 in respect of prior years, and of the management costs of LSMO.

(4) Interest paid comprises gross payments on the Floating Rate Unsecured Loan Stock 1976 and the Loan Stock at their contractual rates, and on annual cash deficits (where applicable), calculated on the basis of an average of opening and closing balances, at the rate of 15 per cent. per annum.

(5) Gross payments on the OPS comprise payments (including the related advance corporation tax) based on the production forecast in Case 1 shown in the DeGolyer and MacNaughton report in Appendix I and a price of oil of £6.20 per barrel. LSMO's share of operating costs, estimated at £1.73 million per annum, and the Government royalty of 12½ per cent. have been deducted from the gross revenue to arrive at the figure upon which the OPS payments are calculated.

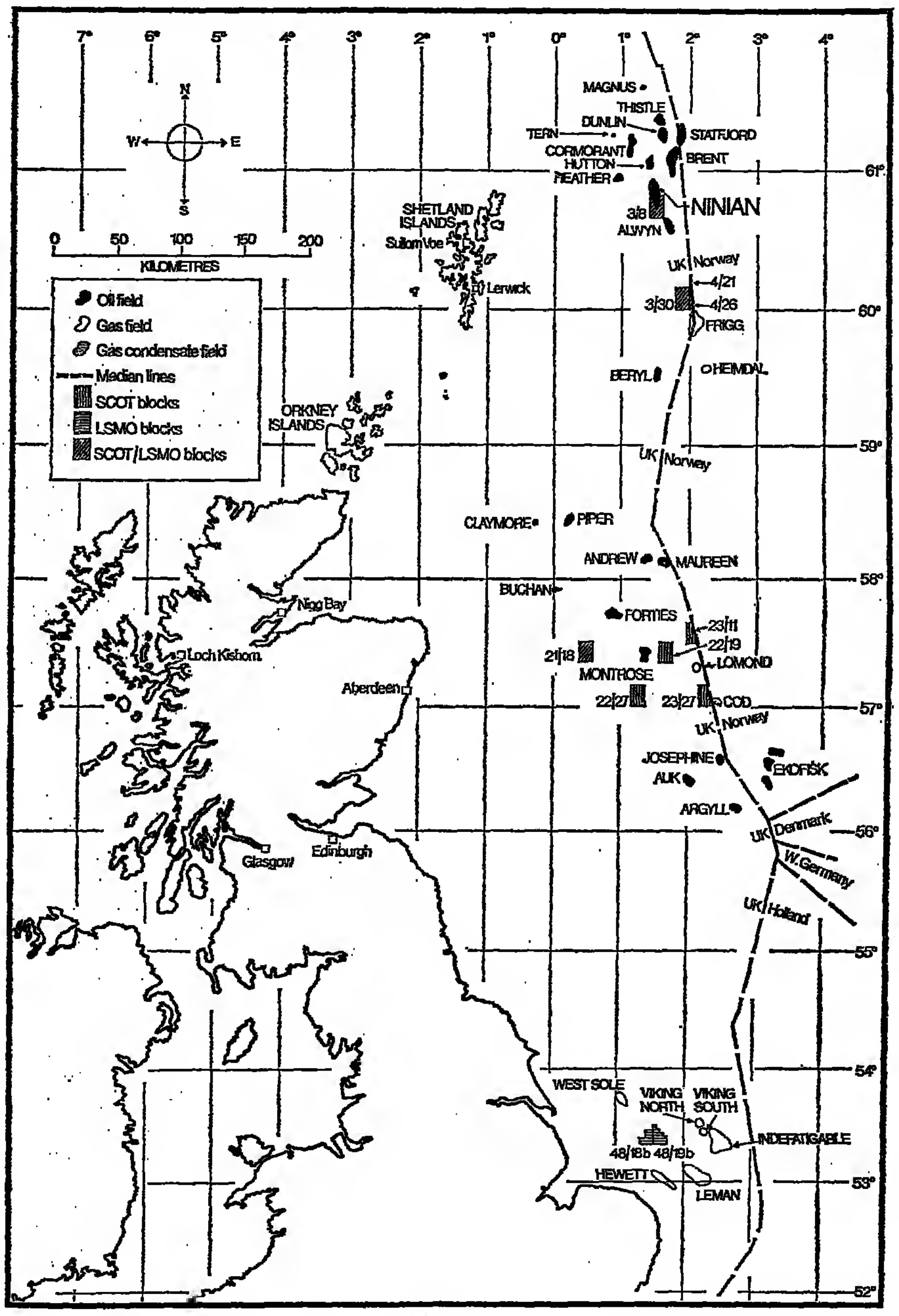
(6) Repayment of Loan Stocks relates to the repayment of the £12.1 million Floating Rate Unsecured Loan Stock 1976 in February 1976 and the £57.5 million Loan Stock on 31st December, 1983.

(7) Tax paid comprises corporation tax and petroleum revenue tax, payable in accordance with present legislation. PRT is computed on the assumption that all capital expenditure (net of spare capacity sold) qualifies for uplift (see paragraph 20 (a) (i)). Tax paid does not include advance corporation tax, which is included in gross payments on the OPS (see Note 5).

(8) Interest received is calculated at the rate of 8 per cent. per annum on annual cash surpluses (where applicable) on the basis of an average of opening and closing balances.

(9) Sale of spare capacity relates to the expected disposal of spare capacity in the Pipeline (approximately 50 per cent.) and the Ninian related terminal facilities at Sullom Voe (approximately 20 per cent.), as referred to in paragraph 7 (b) above. The figures and the timing for the purposes of this illustration have been estimated by Ranger.

(10) Net revenue from oil sales is based on cash receipts from sales less:—
(i) LSMO's share of operating costs, taken as £1.73 million per annum; and
(ii) Government royalty, taken at 12½ per cent.



Map 1

art 2: SCOT continued

Any agreement under which SCOT transfers or disposes of a part ll of its interest in the Field would be subject to certain pre-emptive ts, which would allow the other participants in Licence P.199 an ortunity to acquire that interest on terms and conditions not erially less favourable than those on which such transfer or disposal oposed to take place. Any proposed State participation involving transfer of title to a part of SCOT's interest would be subject to e pre-emptive rights.

Although SCOT has held extensive detailed negotiations ı the Government since July 1975 on other bases, no ailed negotiations on the method by which participation ht be achieved without BNOC contributing towards ital costs have yet taken place. Should it prove impossible SCOT to negotiate an agreement which, in SCOT's view, es it no worse off or which would not achieve the desired ılts due to the exercise of the pre-emptive rights men- ıed above, then SCOT would withdraw from the negotia- ıs which, as stated above, are voluntary.

ESTIMATED COSTS

Estimated capital cost of the Ninian Project

NMC has authorised the development of the Field on the basis of production platforms, which together will have the capacity to drill ells. As described in greater detail in Part 4, work has started on latforms, the Pipeline and the terminal, which are the three major ponents of the Project.

The Directors of SCOT have been advised by Ranger that analysis e latest information provided by Chevron and BP shows an ated total cost for the Project of £1,139.9 million. The tables v show a break-down of this estimated cost between the main of the Project and also an estimated spread of this expenditure the years 1974 to 1982 inclusive.

	Base Cost £m.	*Escalation* £m.	*Contingency* £m.	*Total* £m.
platforms and related production facilities	500.2	186.0	31.8	717.8
ne	168.3	45.3	27.4	241.0
nal facilities at Sullom Voe	97.2	63.0	19.8	180.0
	765.7	294.3	78.8	1,138.8

The total estimated costs are expected to arise as follows:—

1974/5	*1976*	*1977*	*1978*	*1979*	*1980*	*1981*	*1982*	*Total*
134.4	337.3	331.7	151.2	72.9	49.4	47.1	14.8	1,138.8

The escalation provisions are to cover increases in the general cost s of materials and labour due to inflation. The contingency isions are to cover work and/or costs within the Project develop- t plan which cannot be foreseen at the time of preparing an nate, and to cover the uncertainties inherent in any estimate.

Based on the above figures and its present 2.1 per cent. interest in Project, SCOT's share of the total estimated cost amounts to 9 million. At 31st December, 1975, SCOT had paid in respect of Project £2.8 million, leaving £21.1 million to be provided in the 1976 to 1982 inclusive on the assumption that the escalation and ingency provisions shown above will be those required.

Other cost factors

In addition to its contribution to the capital cost of the Project, hown above, SCOT will have the following additional major nditure in connection with the Project:—

(i) interest on the Loan Stock now being issued, and other financing costs;

(ii) half-yearly payments on the OPS once the Field is in production; and

(iii) payments to Ranger for past and future services under the agreement referred to in paragraph 13 above.

The costs related to the Project are expected to be reduced by osit interest on surplus cash balances available from time to time also by sales of spare capacity, referred to in paragraph 24 (c) and in respect of both the Pipeline and the terminal facilities to icipants in other fields in the vicinity of the Field. These sales of e capacity would effectively reduce the capital cost of the Project. ed on the sale of 50 per cent. of the capacity of the Pipeline and per cent. of the Ninian share of the terminal, SCOT's share of the savings is estimated at about £3 million.

16. REASONS FOR AND PROCEEDS OF THE ISSUES

The costs of fulfilling SCOT's Licence obligations and of meeting its share of the development expenditure on the Project have until now been borne mainly by its original shareholders. £5,400,000 has been subscribed in cash for equity; in addition, £3,700,000 Floating Rate Unsecured Loan Stock 1976, repayable on or before 31st March, 1976, was issued in 1975 and has been used as an interim measure to meet the costs of SCOT's share of the Project until early in 1976. However, SCOT's share of expenditure still to be incurred in developing the Field is substantial, and the Directors of SCOT consider it is now appropriate to seek funds from a larger body of investors on a longer term basis.

The proceeds of the issues (after deducting expenses estimated at £0.7 million) will amount to approximately £17.0 million.

The table set out below demonstrates a possible relationship between the issues and SCOT's cash requirements over the period 1976 to 1983 inclusive, based on the principal assumptions given below. The table is given for illustrative purposes only and should on no account be taken as a forecast. The principal assumptions and the notes should be read in conjunction with the figures.

It is considered that the illustration below demonstrates the principal features of the financing route chosen by SCOT. Changes in the assumptions on which the illustration is based could materially affect the situation; in particular, the date of commencement of oil production, the capital costs of the Project and the net revenue from oil sales are fundamental.

As appears from the illustration, the present issues are not likely to be sufficient to enable SCOT to meet the full cost of its share of developing the Project, although they should cover a substantial proportion of that cost, most of which is due to be expended by the fourth quarter of 1977. By then, it is expected that the two production platforms will have been towed out and positioned, and that the main elements of the Pipeline and terminal facilities will be nearing completion, and therefore a number of the major risks should have been eliminated.

The Directors of SCOT believe that, in view of the uncertainties inherent in any major project of this kind and, in this instance also, the uncertainties relating to additional production facilities for the Project, it is right to make issues of this size at the present time, leaving decisions as to the amounts of any further moneys required and the methods to be adopted to provide them until the actual needs have become clearer.

Principal Assumptions

It is assumed:—

(A) that the capital expenditure required will be for an 84-well, two platform development of the Field. The participants in the Project have discussed extensively the possibility of ordering additional production facilities in order to drain the reservoir of oil in the Field more effectively but, although NMC has decided that additional facilities may be required, no decision has been made on the nature of these additional facilities nor when they will be ordered or commissioned. Accordingly, no provision has been made in the table for the extra cost of any such facilities;

(B) that SCOT will be able to borrow or raise the sums required to meet any cash shortfalls arising during the period;

(C) that production will commence in the second half of 1978 and will take place according to Case 1 of the DeGolyer and MacNaughton report set out in Appendix I;

(D) that SCOT will sell the whole of its share of production of oil throughout the period at a price of U.S.$12.50 per barrel, which has been treated as equivalent to £6.20 per barrel (an exchange rate of U.S.$2.016 to £1);

(E) that any further exploration expenditure incurred by SCOT will not be met from the proceeds of the present issues;

(F) that SCOT finances, and has the benefit of, all its present interest in the Project, and that State participation will not affect this (see paragraph 14 above); and

(G) that the present rates, and system, of taxation (including the Government royalty) will remain unchanged throughout the period, and there will be no change in Government policy materially affecting production or SCOT's interest in the Project.

	Note	1976 £m	1977 £m	1978 £m	1979 £m	1980 £m	1981 £m	1982 £m	1983 £m	1976-83 £m
Opening cash surplus/(deficit) ..	(1)	1.3	7.7	(0.4)	(4.7)	(3.1)	2.3	10.4	19.9	1.3
CASH OUTFLOWS										
Capital expenditure on the Project ..	(2)	7.7	7.0	3.2	1.5	1.0	1.0	0.3	—	21.1
Other costs	(3)	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	2.0
Interest paid	(4)	1.0	2.5	2.8	3.0	2.5	2.5	2.5	3.3	20.1
Gross payments on the OPS	(5)	—	—	—	0.4	0.7	0.9	1.2	1.0	4.2
Repayment of Loan Stocks	(6)	3.7	—	—	—	—	—	—	17.5	21.2
Tax paid	(7)	—	—	—	—	—	—	—	3.2	3.2
Total cash outflows		12.0	8.7	9.2	5.1	4.5	4.7	4.3	25.3	71.8
CASH INFLOWS										
Net proceeds of the present issues ..		17.0	—	—	—	—	—	—	—	17.0
Interest received	(8)	0.4	0.3	—	—	—	0.5	1.2	1.0	3.4
Sale of spare capacity	(9)	1.0	1.3	0.6	0.1	—	—	—	—	3.0
Net revenue from oil sales	(10)	—	—	1.3	6.6	9.9	12.3	12.9	10.2	52.9
Total cash inflows		18.4	1.6	1.9	6.7	9.9	12.8	13.8	11.2	76.3
Net change		6.4	(8.1)	(4.3)	1.9	5.4	8.1	8.5	(14.1)	4.5
Closing cash surplus/(deficit) ..		7.7	(0.4)	(4.7)	(3.1)	2.3	10.4	19.9	5.8	5.8

NOTES:

(1) The cash surplus at the start of the period includes the proceeds of the final cash call of 25p per share (on 3,600,000 shares) received on or before 5th January, 1976, less amounts held for expenditure in 1976, mainly on Well 23/27-3 referred to in paragraph 11 above.

(2) The capital expenditure figures are derived by taking 2.1 per cent. of the estimates of capital expenditure for the Project prepared by BP and Chevron; such expenditure is here assumed to be spread evenly within each year. They include substantial provisions for escalation and contingencies, SCOT's share of which amounts to £6.2 million and £1.7 million respectively over the period 1976 to 1982 inclusive.

(3) Other costs comprise estimates of the amounts payable to Ranger under the terms of the agreement referred to in paragraph 13 above, including amounts payable in 1976 in respect of prior years, and of the management costs of SCOT.

(4) Interest paid comprises gross payments on the Floating Rate Unsecured Loan Stock 1976 and the Loan Stock at their contractual rates, and on annual cash deficits (where applicable), calculated on the basis of an average of opening and closing balances, at the rate of 15 per cent. per annum.

(5) Gross payments on the OPS comprise payments (including the related advance corporation tax) based on the production forecast in Case 1 shown in the DeGolyer and MacNaughton report in Appendix I and a price of oil of £6.20 per barrel. SCOT's share of operating costs, estimated at £0.53 million per annum, and the Government royalty of 12½ per cent. have been deducted from the gross revenue to arrive at the figure upon which the OPS payments are calculated.

(6) Repayment of Loan Stocks relates to the repayment of the £3.7 million Floating Rate Unsecured Loan Stock 1976 in February 1976 and the £17.5 million Loan Stock on 31st December, 1983.

(7) Tax paid comprises petroleum revenue tax, payable in accordance with present legislation. PRT is computed on the assumption that all capital expenditure (net of spare capacity sold) qualifies for uplift (see paragraph 20 (a) (i)). Tax paid does not include advance corporation tax, which is included in gross payments on the OPS (see Note 5).

(8) Interest received is calculated at the rate of 9 per cent. per annum on annual cash surpluses (where applicable) on the basis of an average of opening and closing balances.

(9) Sale of spare capacity relates to the expected disposal of spare capacity in the Pipeline (approximately 50 per cent.) and the Ninian related terminal facilities at Sullom Voe (approximately 20 per cent.), as referred to in paragraph 15(b) above. The figures and the timing for the purposes of this illustration have been estimated by Ranger.

(10) Net revenue from oil sales is based on cash receipts from sales less:—
(i) SCOT's share of operating costs, taken as £0.53 million per annum; and
(ii) Government royalty, taken at 12½ per cent.

continued overleaf

Part 3: The securities now being issued

17. THE OIL PRODUCTION STOCKS

(a) Nature of the Oil Production Stocks

The Oil Production Stocks of LSMO and SCOT now being issued are a new kind of security. Each is technically a loan stock, but instead of fixed interest payments the holders will be entitled to receive half-yearly payments related to the value of the production from the Field in the relevant half year. These payments are not dividends but will for tax purposes be treated as distributions. The calculation of these payments (described in (b) below) depends primarily on the volume of production from the Field and its market value at the time, but the calculation is not related to the profits of the issuing company and is not affected by its outgoings (other than operating costs and the Government royalty). When the half-yearly payments cease (as described in (c) below), the nominal amount of each OPS (that is, 10p per Unit) will be repaid. In certain cases described below, repayment may be accelerated, and in such cases repayment may be at a premium.

The half-yearly payments on the OPS and the repayment of the nominal amount will be unsecured obligations of the issuing company, and as such will rank in the same manner as its other normal unsecured debts, including the Loan Stock and interest payments thereon. Hence, although the calculations of the half-yearly payments will be made as stated above, the ability of the issuing company actually to make any such payments will depend upon it having the necessary cash available at the time the payment falls due.

The issues by LSMO and by SCOT will be separate, and the issuing company will be liable only for payments on the OPS issued by it. The method of calculation of payments on each issue of OPS is designed to make the half-yearly payment due on each Unit of each issue of OPS the same as the corresponding payment due on each Unit of the other issue. The description of the terms and conditions of the OPS which follows, and the particulars which appear in Appendix VI, apply to each of the issues separately.

The Department of Energy has given its consent, insofar as it is required, for the issue of the OPS.

(b) Half-yearly payments on the Oil Production Stocks

The holders of OPS are entitled to receive between them, in respect of each half of each calendar year (beginning with the half year in which significant production from the Field commences), an aggregate payment which, together with the appropriate tax credit, is 8.75 per cent. of the Value of Petroleum, calculated as described below.

Reflecting the intentions of LSMO and SCOT to finance the full cost of the whole of their present interests in the Project and only to enter into voluntary State participation if they retain the full financial benefit of their present interests in the Field, the percentage of the Value of Petroleum has been expressed by reference to the whole of LSMO's and SCOT's present interests and fixed at 8.75 per cent. If, following 51 per cent. State participation on the above basis, LSMO's or SCOT's interest should for any reason become, or be described as, a 49 per cent. interest, but with each company retaining the full financial benefit of its present interest, then the payments on the OPS would be equivalent to approximately 17.86 per cent. of the Value of Petroleum attributable to such a 49 per cent. interest. The actual payments to be made on each Unit of OPS would of course remain unaltered.

The Value of Petroleum will be calculated by taking, for each month, the volume of petroleum produced which is attributable to each company's present interest in Block 3/8 (that is, attributable to a 23 per cent. and a 7 per cent. interest in Block 3/8 for LSMO and SCOT respectively) multiplied by the market value of such petroleum in the middle of that month, and deducting therefrom the operating costs of producing and treating such petroleum and transporting it as far as Sullom Voe, and the Government royalty attributable to such petroleum.

As indicated above, the two issues of OPS are designed to confer the same entitlement for each Unit. To achieve this, the number of Units being issued (5,750,000 in the case of LSMO and 1,750,000 in the case of SCOT) is in proportion to their respective interests in Block 3/8 namely 23 per cent. and 7 per cent. Accordingly the amount payable on each Unit will be one 5,750,000th part in the case of LSMO and one 1,750,000th part in the case of SCOT of the respective Values of Petroleum.

The calculation of the payments will not be affected in any way by voluntary changes in the issuing company's interest in the Field. The calculation of the payments would be affected, however, if the proportion of the Field attributable to Block 3/8 were to be redetermined (see paragraph 22(b) below), or if the issuing company were to be required to reduce its beneficial interest in the Field involuntarily (see paragraph 11 of Appendix VI).

The respective sums described above as being payable are inclusive of advance corporation tax (and any other tax which may be payable or deductible in making the payments) and therefore, at present tax rates, the actual cash payments to the holders of OPS would normally be 65 per cent. of such sums (see paragraph 20(b) below as to the taxation treatment of such payments).

A table illustrating, by way of example only, possible annual entitlements on the OPS, based on certain assumptions, appears in paragraph 18 below. To allow time for the necessary calculations to be made, each half-yearly payment will be due four months after the end of the calendar half year to which it relates.

(c) Termination and repayment

The half-yearly payments described above will continue until the earliest of (i) the date when production on which LSMO has made payments reaches 92 million barrels, or SCOT 28 million barrels (which it is expected should be equivalent to production from the Field in Blocks 3/3 and 3/8 of 1,350 million barrels, being approximately 20 per cent. in excess of the figures for proved and probable reserves of crude oil and natural gas liquids as reported by DeGolyer and MacNaughton); (ii) the date when the Field is abandoned; and (iii) 31st December, 2010. All OPS outstanding when the half-yearly payments cease will then be repaid at par.

In the event of a default by the issuing company in relation to the OPS (including failure to make any half-yearly payment when due), or of unilateral abandonment by that company of its interest in the Field, or involuntary relinquishment of that interest (except in any case where the involuntary relinquishment does not reduce the benefit to the company of that interest), the company will be required to repay the OPS by paying to holders the higher of the nominal value of the OPS and its market value at that time; however, in the case of involuntary relinquishment, the total payments will not exceed 20 per cent. of the compensation it receives. In the case of partial involuntary relinquishment, a proportional payment will be made, and the entitlement of holders of OPS to future payments will be reduced correspondingly (see paragraph 11 (H) of Appendix VI). Any payment on the OPS described in this paragraph will (insofar as it exceeds the nominal amount of that OPS) (i) be inclusive of advance corporation tax (and any other tax which may be payable or deductible in making the payment), and (ii) be subordinated to payments due on the Loan Stock issued by the same company and be payable only on full repayment of such Loan Stock (unless its due date is postponed beyond 29th April, 1984). Particulars of provisions whereby, on a merger of LSMO and SCOT, such subordination may be extended to other loan stocks appear in paragraph 11 (E) (iii) of Appendix VI.

The OPS may be purchased by the issuing company in the market or by tender or, subject to certain limitations, by private treaty.

(d) Protection of the Oil Production Stockholders

The two issues of OPS will be constituted by a single Trust Deed between LSMO, SCOT and Commercial Union Assurance Company Limited as Trustee. The Trust Deed will contain provisions limiting each company's ability to make further issues of securities similar to the OPS, or to dispose of part or all of its interest in the Field. There will also be provisions restricting each company's ability to mortgage or charge any of its interests in the Project without granting corresponding security to the holders of the OPS issued by it, such provisions to operate until approximately seven and a half years of production from the Field have elapsed.

18. PAYMENTS ON THE OIL PRODUCTION STOCKS

The table below sets out:—

(a) a calculation of the shares of LSMO and of SCOT of the annual production of oil from the Field on the bases of the 84-well and 104-well development predictions shown in the tables in Appendix I (excluding natural gas liquids, although holders of OPS will participate in their value), on the assumption that production commences on 1st July, 1978 and ceases in the year 2000 and in mid-year 1998 respectively; and

(b) illustrations of the amounts, including the associated tax credit, which might become payable in respect of each year on each Unit of either issue of OPS, on the assumption that there is no change in the interests of LSMO and of SCOT in the Field resulting from any redetermination (see paragraph 22(b) below).

The figures are provided for illustrative purposes only and should on no account be taken to constitute a forecast. The issuing company's obligation to make payments on the OPS will only arise when the Field is in production and no guarantee can be given that any payment on the OPS will be made.

	84-well development		
	LSMO's share of oil production	*SCOT's share of oil production*	*Amount attributable to each OPS including tax credit*
Year	*million barrels*	*million barrels*	*p per Unit*
1978	0.94 (½ year)	0.29 (½ year)	6.6
1979	4.31	1.31	33.3
1980	6.30	1.92	49.7
1981	7.71	2.35	61.4
1982	7.88	2.40	62.8
1983	6.47	1.97	51.1
1984	5.26	1.60	41.1
1985	4.08	1.24	31.4
1986	3.05	0.93	22.9
1987	2.34	0.71	17.0
1988	1.76	0.54	12.2
1989	1.56	0.47	10.6
1990	1.49	0.45	10.0
1991	1.38	0.41	8.9
1992	1.16	0.35	7.3
1993	1.01	0.31	6.0
1994	0.86	0.26	4.8
1995	0.81	0.25	4.4
1996	0.78	0.24	4.1
1997	0.68	0.21	3.3
1998	0.55	0.17	2.2
1999	0.53	0.16	2.1
2000	0.50	0.15	1.8

	104-well development		
	LSMO's share of oil production	*SCOT's share of oil production*	*Amount attributable to each OPS including tax credit*
Year	*million barrels*	*million barrels*	*p per Unit*
1978	0.94 (½ year)	0.29 (½ year)	6.5
1979	4.76	1.45	36.7
1980	7.23	2.20	57.1
1981	8.31	2.53	66.0
1982	8.31	2.53	66.0
1983	8.31	2.53	66.0
1984	7.88	2.39	62.3
1985	5.52	1.68	43.0
1986	4.31	1.31	33.0
1987	3.12	0.95	23.2
1988	2.29	0.70	16.3
1989	1.68	0.51	11.1
1990	1.41	0.43	9.1
1991	1.31	0.40	8.2
1992	1.16	0.35	7.0
1993	1.03	0.31	5.9
1994	0.98	0.30	5.5
1995	0.83	0.25	4.3
1996	0.65	0.20	2.8
1997	0.53	0.16	1.8
1998	0.23 (½ year)	0.07 (½ year)	0.6

Notes:

(1) Payments in respect of each half year are due to be made four months after its end, but the table shows annual amounts without taking into account this delay.

(2) In calculating the amounts shown, it is assumed that throughout the period the market price of oil will be U.S. $12.50 per barrel, which has been treated as equivalent to £6.20 per barrel (an exchange rate of U.S. $2.016 to £1).

(3) The entitlement of the holder of each Unit of OPS is, as stated in paragraph 17, a percentage of the value of the relevant petroleum after deducting:—
- (a) the issuing company's share of operating costs taken at annual rates of £1.73 million for LSMO and £0.53 million for SCOT for an 84-well development, and £1.93 million for LSMO and £0.59 million for SCOT for an 104-well development; and
- (b) Government royalty, taken at 12½ per cent.

(4) It is assumed that the Government does not exercise its power to control the rate of production from the Field under the Petroleum and Submarine Pipe-lines Act 1975 (see paragraph 3 of Appendix II).

Quite apart from any other reasons which may vary the payments, the amounts attributable to the OPS must be expected to vary from the figures given above following a change in the sterling value of oil, as a result either of a change in the international price of oil or of changes in currency parities, or if actual production from the Field varies from that predicted by DeGolyer and MacNaughton in Appendix I.

19. THE LOAN STOCKS

The £57,500,000 14 per cent. Unsecured Loan Stock 1981/83 now being issued by LSMO and the £17,500,000 14 per cent. Unsecured Loan Stock 1981/83 now being issued by SCOT will each entitle their holders to interest at the rate of 14 per cent. per annum, payable in two equal instalments on 28th February and 31st August in each year, except that the first payment of interest, calculated on the amounts paid up on the Loan Stock, will be made on 31st August, 1976 in respect of the period up to that date at the rate of £4.8712 (less tax) per £100 nominal of Loan Stock.

The issuing company will have the right to redeem the Loan Stock issued by it in whole or (by drawings or *pro rata* to holdings) in part, on not less than three months' notice, on or at any time after 1st January, 1981 at par together with accrued interest. Each Loan Stock is finally redeemable on 31st December, 1983 at par together with accrued interest. In the event of unilateral abandonment by LSMO or SCOT of its interest in the Field, or involuntary relinquishment of that interest (except in any case where the involuntary relinquishment does not reduce the benefit to the company of that interest), the Loan Stock of that company (or, in the case of partial involuntary relinquishment, a proportionate part) will become repayable at par, with accrued interest.

It will be noted that the repayments of the OPS described in paragraph 17(c) above (insofar as they exceed the nominal amount thereof) will be subordinated to payments due on the Loan Stock issued by the same company and will be payable only on full repayment of such Loan Stock (unless its due date is postponed beyond 29th April, 1984).

The two Loan Stocks will be constituted by a single Trust Deed in favour of General Accident Fire and Life Assurance Corporation Limited as Trustee. Particulars of the Loan Stocks are set out in Appendix VII. Paragraphs 5 to 7 of the particulars set out provisions protecting the holders of the Loan Stocks, which (i) restrict the overall borrowings of the issuing companies and their respective subsidiaries, and the disposal by the issuing company of its interest in the Field; and (ii) include a negative pledge which will prohibit the issuing company creating any charge on any of its assets (except any charge required to be given to any operator or participant in the Project or, in certain circumstances, in any other petroleum exploration or development activity of the issuing company) unless a similar charge is given to secure its Loan Stock.

Neither LSMO nor SCOT expects to receive any income other than deposit interest until production commences from the Field. The sums required for the payments of interest on each Loan Stock prior to commencement of production will therefore have to come primarily from the proceeds of the relevant issue. The gross amount of interest on the LSMO Loan Stock for a full year will amount to £8,050,000, and that on the SCOT Loan Stock to £2,450,000.

20. UNITED KINGDOM TAXATION

(a) The companies

(i) *Petroleum Revenue Tax ("PRT")*

The Oil Taxation Act 1975 imposes PRT on profits from winning oil and gas in areas licensed by the United Kingdom Government. The tax is presently imposed at the rate of 45 per cent. on each participator in respect of each field separately. The basis for calculating PRT is different from that applying for corporation tax purposes. PRT is assessed on the arm's length value of production less (1) Government royalties, (2) participants' expenditure in respect of the field plus a per cent. "uplift" on certain capital expenditure, (3) abortive exploration or development expenditure, and (4) a limited "oil allowance". There is also a safeguard provision limiting the PRT payable where the return on capital invested is below a limit specified by the Act. Certain expenses, including payments on the OPS and interest, are disallowed as a deduction.

(ii) *Corporation Tax*

PRT cannot be used as a credit against corporation tax but is allowable as a deduction in computing income from United Kingdom oil activities for corporation tax purposes. The Oil Taxation Act 1975 also introduces the concept of a ring fence for corporation tax purposes under which income from United Kingdom oil activities is assessed as a separate trade. Losses arising on activities outside the ring fence will not be relieved against the profits arising within the ring fence for corporation tax purposes, but the converse does not apply. Initially neither LSMO nor SCOT is likely to be affected materially by the ring fence provisions because all significant expenditure of each company relates to United Kingdom oil activities. Oil activities for this purpose comprise oil extraction activities and the acquisition, enjoyment or exploitation of oil rights.

(iii) *Payments on the Oil Production Stocks*

The Directors of LSMO and SCOT are advised that, under present legislation, payments on the OPS, other than repayments of the nominal amount, will be deemed to be distributions of profit, and the tax treatment will follow that applying to dividends. This will also be the treatment of the payments arising in the event of a default, unilateral abandonment or involuntary relinquishment (referred to in paragraph 17(c) above) insofar as they exceed the nominal amount of the OPS. Accordingly, such payments will have attached to them a tax credit equivalent, at present rates, to 35/65ths of the payment. Payments on the OPS will not be deductible by the issuing company for PRT or corporation tax purposes.

(iv) *Payments on the Loan Stocks*

The Directors of LSMO and SCOT are advised that, under present legislation, payments of interest on the Loan Stock will be "annual interest" for tax purposes and accordingly, under present legislation, payments will normally be made subject to deduction of income tax at the basic rate. Payments of interest on the Loan Stock will not be deductible for PRT purposes, but will be deductible for corporation tax purposes.

(b) Holders of the Oil Production Stocks

As stated in (a) (iii) above, all payments on the OPS (other than repayments of the nominal amount) will have attached to them a tax credit equivalent, at present rates, to 35/65ths of the payment. The Directors of LSMO and SCOT are advised that, under present legislation, such payments will, in the hands of corporate holders of OPS, constitute franked investment income and will not be subject to corporation tax.

Individuals holding OPS should include the amounts of any payments plus the tax credits in their total income for tax purposes, but will be able to set off against their liability the tax credit, which is at present equal to tax at the basic rate. Thus, holders paying tax at or below the basic rate should have no further tax liability on income arising from the OPS. Non-resident holders may be able to claim repayment of the tax credit subject to the terms of any relevant double taxation agreement.

The Inland Revenue has confirmed that holders of OPS will not be deemed to be within the ring fence provisions by reason of their holding of OPS.

(c) Holders of the Loan Stocks

As stated in (a) (iv) above, payments of interest on the Loan Stocks will be "annual interest" and will normally be made subject to deduction of income tax at the basic rate.

The Inland Revenue has confirmed that holders of the Loan Stocks will not be deemed to be within the ring fence provisions by reason of their holding of Loan Stock.

(d) Capital Gains Tax

The two issues of OPS and the two issues of Loan Stock are each constituted as separate securities and the Directors of LSMO and SCOT are therefore advised that, under present legislation, the capital gains tax position on disposal of each of the four securities will be dealt with independently.

Part 4: The Ninian Project

LSMO and SCOT have interests, currently estimated at 6.9 per cent. and 2.1 per cent. respectively, in the Project, which comprises the development of the Field, the Pipeline now being constructed to carry production from the Field to Sullom Voe in the Shetland Islands, and a share in the terminal facilities now being built there.

21. RESERVES OF THE FIELD

Independent petroleum consultants, DeGolyer and MacNaughton, were instructed to report on the reserves in the Field and to develop production profiles on certain specified bases. Their report is set out in Appendix I.

It can be seen from their report that DeGolyer and MacNaughton, on the basis of information provided to them by holders of the licences, estimate as follows:—

	million barrels
Oil in place	
Proved	2,576
Probable	412
	2,988
Oil recoverable	
Proved	963
Probable	146
	1,109 (Average recovery factor 37.1 per cent.)

The oil from the Field is a good quality light crude oil with a very low sulphur content.

The actual volume of oil recovered will depend on a number of factors, including the development and production plans finally adopted. DeGolyer and MacNaughton for the purposes of their report have predicted actual recovery of oil for:—

(i) an 84-well, two platform development plan; and

(ii) an alternative 104-well, three platform plan, which is one of the possible methods of increasing production being considered by NMC.

The predictions are as follows:—

To be recovered by	*84-well development plan* end 2000	*104-well development plan* mid 1998
	million barrels	*million barrels*
Proved	772.1	890.2
Probable	117.4	135.3
	889.5	1,025.5

DeGolyer and MacNaughton believe there will be some additional oil available for recovery after the time periods stated. Either of the plans could result in greater or lesser volumes of oil being recovered than those shown above if the Field characteristics, or if the location of the wells or the oil production plan which NMC finally adopts, differ from those assumed. If future technological advances in methods of recovery can be applied to the Field, or if conditions at the time, and in particular the oil price, make it economic to prolong the productive period, a greater volume of oil might be recovered.

DeGolyer and MacNaughton also estimate that primary natural gas liquids available amount to some 20 million additional barrels.

22. PARTICIPANTS

(a) Present situation

Exploration and appraisal drilling has confirmed that the Field lies predominantly in Blocks 3/3 and 3/8 in the United Kingdom sector of the North Sea. On the basis of estimated oil in place, the participants have accepted, subject to revision as further knowledge of the Field is obtained, that 30 per cent. of the Field is attributable to Block 3/8 and the remaining 70 per cent. to Block 3/3.

The present participants in Blocks 3/8 and 3/3, and their interests in the Field on this basis, are:—

	Percentage of Block	*Percentage of the Field*
Block 3/8:		
BP	50	15.0
Ranger	20	6.0
LSMO	23	6.9
SCOT	7	2.1
	100	30.0
Block 3/3:		
Chevron Petroleum Company Limited	24	16.8
Burmah Oil (North Sea) Limited ("Burmah")	30	21.0
Imperial Chemical Industries Limited ("ICI")	26	18.2
Murphy Petroleum Limited	10	7.0
Ocean Exploration Co. Limited	10	7.0
	100	70.0

(b) Redetermination of interests

At present the participants in each of Blocks 3/8 and 3/3 only have an entitlement to the oil underlying their respective Block. However it is intended to enter into a Unit Agreement which will allow for joint exploitation of the Field.

As further geological and technical information is obtained about the Field, the split of interests between Blocks 3/3 and 3/8, and hence the percentage interests of LSMO and SCOT in the Field, may be redetermined from time to time.

It is expected that the final redetermination, subject to 90 per cent. of the development wells having then been drilled, will take place five years after the commencement of development drilling (expected to commence in November 1977) or when all the development wells have been drilled, if earlier. Any changes of interest in the Field or Project are at present to be determined by unanimous agreement of NMC. On a redetermination, costs to date are reallocated and adjusting payments, with interest from the dates of the relevant expenditure, must be made within two months. In future agreements, a similar provision is likely to be retained for the adjustment of payments, but, after production commences, it is expected that there will also be adjustments to entitlement to production which will be phased so as to limit their impact upon deliveries of production to individual participants.

The interests in the Field of the licensees of Block 3/8 following any redetermination are expected to be based upon the volume of oil which they could reasonably expect to recover from their respective interests in that Block.

It is possible that the Field may extend into Blocks adjacent to 3/3 and 3/8, but no confirmatory drilling has taken place on any of them. If, however, oil is discovered on any adjacent Block and is considered to form part of the Ninian reservoir, the participants in that Block may become participants in the Project. In this event, the interests of LSMO and SCOT in the Field may be adjusted, but this should not alter the volume of oil attributable to each.

(c) Provisions in event of default by any participant

Provision has been made in the Cost Sharing Agreement, referred to below, and will be made in any future agreements, for the action to be taken if any participant should fail to meet its proportion of expenditure when called upon to do so. At present, provision is made for the defaulter's interest in the Field to be offered to the non-defaulters, subject to Government consent, if the default is not remedied within 60 days. If the whole of the defaulter's interest is taken up by the non-defaulters, they will become liable for all the defaulter's future obligations and will become entitled to its share of production (subject to its rights after commencement of production described below). Failing this, the Project will be terminated. If the Project is terminated or abandoned prior to production, the arrangements concerning the defaulter's interest will be cancelled, and the defaulter will again become liable for its full share of development costs up to the date of termination or abandonment.

Any participant which defaults is still governed by the relevant agreements but loses its vote on the various committees. However, when commercial production commences, the defaulting party re-acquires an interest in the Field equal to 75 per cent. of an interest determined by taking the proportion of its actual contributions to the Project to the actual contributions of all participants up to that time.

23. OPERATION AND PROJECT MANAGEMENT

(a) The Field and Pipeline

The Project is being developed jointly by the participants in Blocks 3/3 and 3/8 under the terms of a Cost Sharing Agreement, dated 25th April, 1975, which will in due course, and in any event before production from the Field commences, be superseded by a Unit Agreement, a Unit Operating Agreement and other agreements which will define the rights and obligations of the participants. By an agreement made on 30th May, 1974, the participants in Blocks 3/3 and 3/8 established NMC with total overall management authority for all aspects of the Field and its operation. Chevron was appointed Operator for the Field on 1st March, 1975, replacing Burmah, the initial Operator.

Each of the participants is represented on NMC and has a vote in proportion to its interest in the Field, as that interest may be determined from time to time. While the Cost Sharing Agreement remains in force, all decisions, with certain exceptions (including any redetermination of the participants' interests) which require unanimous agreement, require an affirmative vote of not less than 75 per cent. Decisions of NMC are binding upon all participants and therefore LSMO and SCOT, with their present interests of 6.9 per cent. and 2.1 per cent. respectively, have little voting power on decisions in relation to the Project. It is expected that the position will remain broadly the same once the Unit Agreement and the Unit Operating Agreement referred to above have been entered into, except that redeterminations of interests may be subject to arbitration in the event of the failure of participants to reach a unanimous decision.

The Ninian Pipeline Management Committee ("NPMC") has also been established with management authority for the Pipeline and the Ninian related interests in the terminal. BP has been appointed Constructor and Operator for the Pipeline and for any feeder lines between the platforms in the Field, and represents the Ninian participants' interests in the terminal facilities at Sullom Voe.

As mentioned in paragraphs 5 and 13 above, LSMO and SCOT are at present represented on NMC and other committees by Ranger, and Ranger, LSMO and SCOT exercise their votes as a single unit, presently of 15 per cent., although there are provisions for separate votes to be cast if desired. At present, no single company has an interest in the Field in excess of 25 per cent. which would give it a power of veto over those decisions of NMC which do not require unanimous agreement.

(b) Sullom Voe terminal facilities

Crude oil receiving, treatment, storage and tanker loading facilities at Sullom Voe in the Shetland Islands are to be under the control and supervision of The Sullom Voe Association Limited ("SVA"). SVA is a non-profit-making association in which the Shetland Islands Council ("SIC") has 50 per cent. of the voting rights, the remaining 50 per cent. of such rights being shared between BP representing the Ninian pipeline group, and Shell U.K. Exploration and Production Limited ("Shell"), representing the Brent pipeline group, which will also be using the Sullom Voe facilities.

BP has been appointed the Constructor for the terminal facilities, Shell having been responsible for the early design engineering and site preparations.

Further details of these facilities are set out in paragraph 24 below. To the extent that the facilities will be joint facilities with the Brent pipeline group, the costs are to be borne by the two groups in proportion to their respective interests in the facilities, which may vary from time to time. In addition, each Ninian participant has guaranteed to SIC that it will meet its proportionate share, based on its interest in the Field, of any payments due from any Ninian participant which defaults or from any other group which becomes interested in the Pipeline and which defaults as a group. Each participant has also agreed to pay certain charges and import fees to SIC. To the extent that SIC arranges finance in connection with any facilities to be provided by SIC, the participants will normally be expected to reimburse the cost to SIC either directly or through charges for the use of such facilities.

24. DEVELOPMENT PLAN

The participants, through NMC, have approved the ordering of two production platforms, the Pipeline and the terminal facilities at Sullom Voe, and work has already begun on all of these items. Further consideration is being given to additional production facilities.

(a) Production platforms and associated facilities

Two production platforms have been ordered; they differ in design and construction, which should reduce the risks arising out of technical and other problems. They have been designed to be capable of independent operation, including the ability to pump their production ashore. Each will be equipped with two drilling rigs, and with production, injection and initial treatment facilities, utilities and living accommodation.

One platform will be a gravity base concrete structure and it is expected that this will be placed above the central portion of the reservoir. Construction by Howard Doris Limited at Loch Kishorn in Scotland commenced in July 1975. Although construction is presently behind schedule, steps are being taken to rectify this and the Operator still considers that tow-out should take place on schedule in 1977. Drilling of production wells is due to commence in November 1977. The designed production capacity is 276,000 barrels per day ("bpd"), which can be readily increased to 348,000 bpd, should it be decided to process additional production on this platform. Facilities will also be provided for injection of 220,000 bpd of water for maintaining pressure in the reservoir.

The other platform will be a steel piled jacket structure, and it is expected that this will be placed above the southern portion of the reservoir. Construction by Highland Fabricators Limited at Nigg Bay in Scotland commenced in June 1975. Tow-out is scheduled for 1977, after which the deck structures will be fitted, and, as with the central platform, drilling of production wells is due to commence in November 1977. The designed production capacity is 160,000 bpd with facilities for injection of 220,000 bpd of water for maintaining pressure in the reservoir.

Each platform will be capable of drilling 42 wells, which are planned to be deviated so as to tap the reservoir at horizontal distances of up to 4,000 metres from the platform.

The production and injection facilities and other equipment to be installed on the platforms are being designed by The Lummus Company Limited in association with Crest Engineering (U.K.) Inc., Humphreys and Glasgow Limited.

art 4: continued

Possible additional production facilities

The two production platforms already ordered will have the ...city to drill a total of 84 wells. NMC is considering how best to ...ida additional facilities. Various possibilities are under considera-... including a third, but smaller, production platform or the installation ... number of subsea completed wells; it is expected that any ...tional production facilities would service the northern portion of ...eservoir. A decision on these matters is not expected before the ...le of 1976, at the earliest.

Pipeline

A 36-inch outer diameter pipeline, selected as the maximum ...icable size for present pipe-laying techniques, is under construc-... The length of pipeline from the central platform, which is the ...ering point for feeder lines, to landfall at Lune Ness in the Shetland ...ds is about 164 kilometres and from landfall to the terminal ...ties is a further 16.4 kilometres. A total of 188.5 kilometres of pipe ...been purchased and delivered. All sections of the pipe are being ...ed for corrosion resistance and all submarine sections are also ...y coated with concrete.

Maximum throughput capacity of the Pipeline is a nominal ...0,000 bpd; a detailed analysis is being performed to assess ...ical throughput capacity under various operating conditions. The ...uction from the Field, even during the peak period, is unlikely to ...more than 50 per cent. of the available capacity. Discussions with ... companies are taking place with a view to filling the line with ...uction from other fields in the vicinity. Pipe-laying began in July ... using the new semi-submersible lay barge, Viking Piper. This ...e is capable of working in more adverse conditions than conven-...l lay barges, and about 40 per cent. of the seaward section of the ... has already been laid, which is more than the length originally ...ned for 1975. The pipe-laying operations ceased for the winter in ...ber 1975, and are scheduled to recommence in March 1976 for ...pletion later in the year. The line will then be tested and buried in due course, connected to the platforms.

The Pipeline and the locations of Ninian and nearby fields and ...overies are illustrated in Map 2.

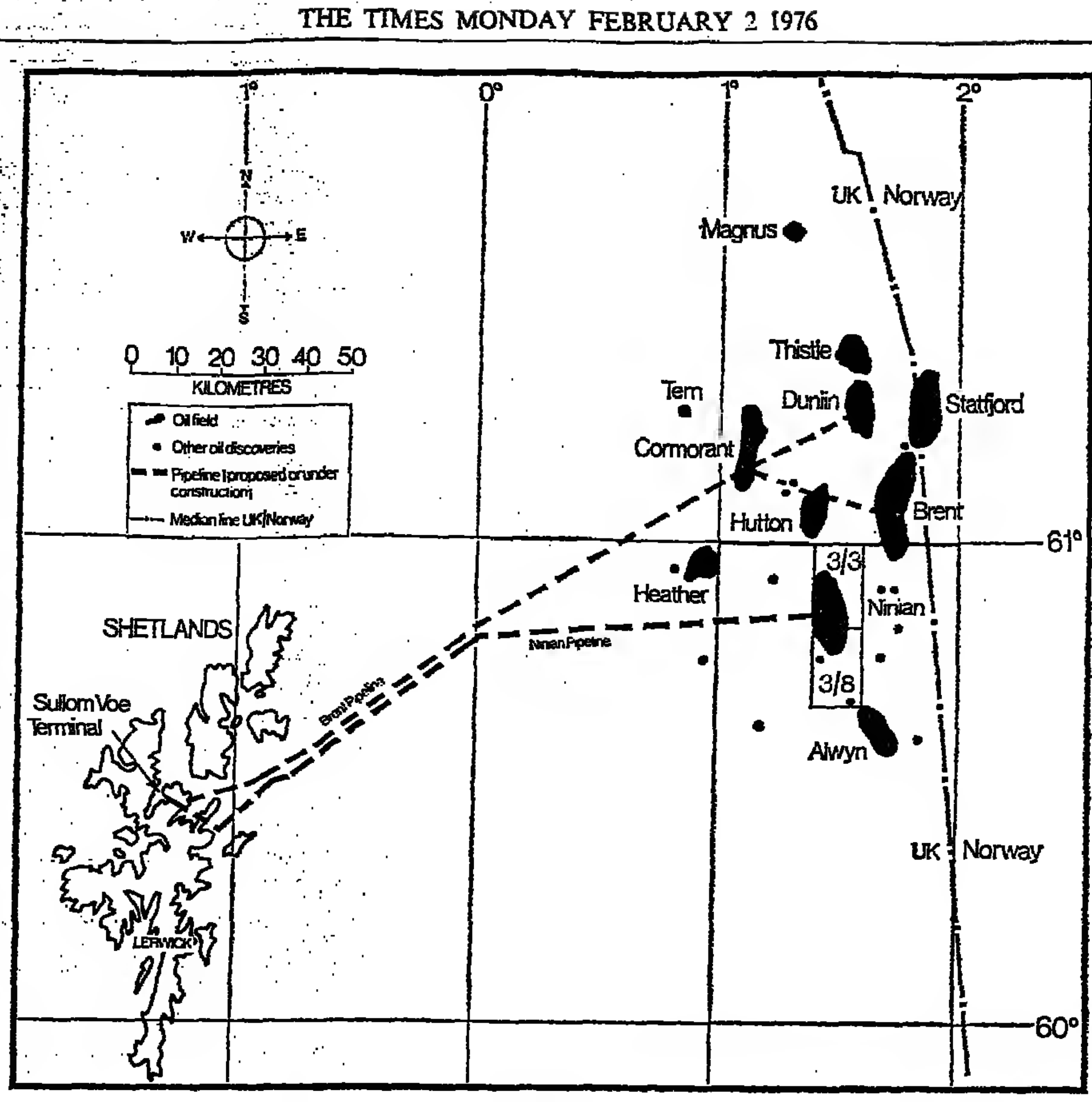
Terminal facilities

Facilities will be provided onshore at Sullom Voe for the receipt of ...uction transported through the Pipeline. Upon arrival, it will ...ye further initial treatment, including dehydration, stabilisation and ...eparation of the crude oil from the natural gas liquids, and then it ... be measured and passed into storage. The processing plant ("the ...n plant") will be owned and operated by the owners of the Pipe-... SIC will own and operate jetties and appropriate harbour facilities. ... will also provide the land needed for the facilities (under a lease or ... arrangement to be agreed) and accommodation for persons ...ing on construction of the terminal facilities.

All other terminal facilities, including storage presently planned for ...oximately 7.4 million barrels of crude oil, will be owned on a joint ... by the Ninian and Brent pipeline groups. This storage would only ...fficient for a few days' production at peak levels.

The Ninian plant will have an initial throughput capacity of ...oximately 500,000 bpd. Production from the Field is unlikely to use ...capacity fully, and the unused capacity is expected to be sold at the ... time as spare capacity in the Pipeline is sold. The design of the ...an plant will permit increases in throughput capacity up to the ...mum capacity of the Pipeline, which is a nominal 1,000,000 bpd.

For the purpose of its development, the terminal has been divided ... two main construction areas. Design and procurement contracts ...he Ninian plant have been let to Constructors John Brown Limited ... for the joint facilities to Foster Wheeler Limited. Preliminary work ... already begun and the Ninian plant is scheduled to be available ... in 1978. The joint facilities are likely to be ready and in use by the ...t pipeline group before the Ninian Field commences production.



Map 2

(e) Oil production

The two platforms are designed to handle peak liquid production of 436,000 bpd in aggregate. However, this production is expected to include considerable quantities of water and average daily production of oil during the peak period is estimated in the region of 300,000 to 330,000 bpd.

To sustain economic production, it will be necessary to provide some form of pressure maintenance within the reservoir and water injection is the preferred method; the necessary facilities, with 440,000 bpd capacity, have already been incorporated into the development plan.

Production is scheduled to commence in the second quarter of 1978, and it is expected that peak production from the two platforms will be reached in 1981 or 1982.

The small amount of gas produced in association with the oil will be used as far as possible as a fuel for the production facilities.

If additional production facilities are installed, it is not expected that the average daily production during the peak period will be altered significantly, although the peak period might be extended. However, it would be possible, if required, to increase the processing facilities on the central platform to 348,000 bpd. It is likely that additional water injection facilities would also have to be installed, but whether these would be installed on an existing or a new platform will depend upon, and are a consideration in, the decision as to what further production facilities, if any, should be installed.

(f) Measurement of production

The production from the Field will be measured at various stages, with varying degrees of accuracy. Some equipment will be installed to enable the performance of each well to be monitored, and also to measure the quantity of fluids from the Field passed through the Pipeline. However, the most accurate measuring equipment is likely to be installed onshore at Sullom Voe. The volumes of crude oil and natural gas liquids produced will be metered after they have been dehydrated and separated, but before they are passed into storage ready for shipment. The measurement of production and the location of the meters is subject to Government approval, and it is expected that the Government will also carry out periodic checks on this equipment. Further equipment will measure the quantities of product loaded for shipment.

(g) Weather risks

Weather conditions in the area of the Field can be severe, in consequence of which it is often difficult to continue construction operations during the winter months. Certain operations, such as the towing out of the platforms and the lifting of heavy deck structures, will require a period of particularly calm sea conditions, which, on the basis of past experience, require these operations to be carried out during the summer months.

The platforms and other facilities are designed to be capable of withstanding the severe weather conditions and are being constructed in accordance with British Standards Institute specifications and safety margins normally adopted by the oil industry.

(h) Insurance

Chevron on behalf of the participants in the Field has insured the platforms and related equipment for their full replacement value, but this cover is limited at present to £150 million for each of the two platforms on a first loss basis. Replacement cost is limited to 150 per cent. of the original cost. In addition, consequential loss of production cannot be covered. Insurance of the platforms covers construction, tow-out and installation until drilling commences on the first well.

BP on behalf of ICI and the Ranger Group has insured the Pipeline for certain repair costs during its laying, the cover being their proportionate share of £15 million each and every loss in excess of an aggregate loss of £5 million.

Negotiations are proceeding for insurance cover for the terminal facilities. It is expected that such cover will be obtained.

Consideration will be given in due course to the obtaining of further insurance cover for the platforms, and insurance cover for the drilling of development wells, seepage, and pollution risks and other normal operating risks associated with the Project.

(i) Consents

A number of consents are required in connection with the Project. The most significant of these was introduced in the Petroleum and Submarine Pipe-lines Act 1975 and requires the Development Plan to receive the Secretary of State's approval. Since this requirement has only been in force since 1st January, 1976, there has been insufficient time for final approval of the Ninian Field Development Plan to have been obtained, but discussions have been held with the Department of Energy at all stages of the Project, and temporary consent covering the period to 30th June, 1976 has been received by the P.199 (Block 3/8) and P.202 (Block 3/3) licensees.

The Operators have advised that other consents in connection with the Project are required *inter alia* from the Department of Energy, the Department of Trade, the Department of Agriculture and Fisheries for Scotland, SIC, the Crown Estate Commissioners, the Naval Hydrographer, the National Ports Council and various landowners. It is the responsibility of the Operators to obtain all the necessary consents and applications are in progress. The Directors of LSMO and of SCOT know of no reason why these consents should not in due course be given.

Appendices

APPENDIX I

PETROLEUM CONSULTANTS' REPORT

The following is the text of a letter received by the Boards of LSMO and of SCOT from DeGolyer and MacNaughton, Petroleum Consultants, dated 22nd January, 1976.

...emen:

Pursuant to your request, DeGolyer and MacNaughton has estimated the proved and probable crude oil and ...al gas liquids reserves, as of 1 October, 1975, of the Ninian field in the British North Sea following the drilling ... completion of the first seven delineation wells. An eighth well is currently drilling near the north edge of the field. ...ata from this well are not yet available. The professional qualifications of DeGolyer and MacNaughton, as well ... summary of the geophysical, geological, and engineering data considered in calculating the estimated oil ...ves and production profiles, are given in this report.

...essional Qualifications

DeGolyer and MacNaughton is a Texas corporation with offices at One Energy Square, Dallas, Texas 75206, ...ed States of America. The firm employs more than 50 professional engineers, geologists, and economists. These ...onnel are engaged in the appraisal of oil and gas properties, in the evaluation of hydrocarbons and other mineral ...pects, in the appraisal of the exploitation potential of unexplored properties, and in studies relating to the ...omics of the international oil industry.

In the North Sea, DeGolyer and MacNaughton has estimated the oil and gas reserves and the production ...ntial of many fields. Among these fields are the Ekofisk Complex, Leman Bank, Indefatigable, Rough, Forties, ...l, Statfjord, Beryl, Hutton, Montrose, Piper, Claymore, Brae, Frigg, and Heimdal, and many concession blocks.

...logy

The Ninian field is located approximately 85 miles east of the Shetland Islands in the northern part of the North ...n water which averages 450 feet (137 meters) in depth. The oil reservoir is a Middle Jurassic sandstone and ...widespread formation that is productive in other structures in the northern part of the North Sea. The Ninian ...ture trends north-south and covers parts of three concession blocks. The principal part of the structure lies in the ...west quadrant of Block 3/3 and in the northwest quadrant of Block 3/8. The current geological interpretation ... field indicates a small portion of the field extends into an adjacent concession block.

A seismic structure map dated August 1975 was submitted by the operator of the field, Chevron Petroleum ... Ltd. [illegible]

[illegible]

313,000 barrels of oil per day which was constant for 0.75 years. Recovery from the 2-platform case was 29.8 percent of the oil in place at the end of 22-1/2 years, that is through the year 2000. Production at the end of this time was 772,123,000 barrels of proved oil, 117,420,000 barrels of probable oil, 13,971,000 barrels of proved natural gas liquids, and 2,125,000 barrels of probable natural gas liquids. Total oil and natural gas liquids produced through the year 2000 was predicted to be 905,639,000 barrels.

Case 2 (Alternative Scheme)

Three platforms were used in the second case which included two platforms with 42 wells each and a third platform with 20 wells. Downdip peripheral water injection was again utilized for pressure maintenance. Production was assumed for the purpose of these calculations to commence with the two 42-well platforms in the second half of 1978 and with the third platform at the beginning of 1981. Maximum production rate reached was 330,000 barrels of oil per day which was constant for 3.25 years. Recovery in this case consisted of 34.4 percent of the oil in place at the end of 20 years, that is to mid-year 1998. Production predicted at the end of 20 years was 890,215,000 barrels of proved oil, 135,378,000 barrels of probable oil, 16,108,000 barrels of proved natural gas liquids, and 2,450,000 barrels of probable natural gas liquids. Total oil and natural gas liquids produced through mid-year 1998 was predicted to be 1,044,151,000 barrels.

TABLE 1
CASE 1
TWO PLATFORM PRODUCTION PREDICTION**
PROVED PLUS PROBABLE

Year	Oil Production (Thousand barrels per day)*	Cumulative Oil Production (Million barrels)*
1978 (6 Months)	75	13.6
1979	171	76.1
1980	250	167.3
1981	306	279.9
1982	313	393.0
1983	257	486.9
1984	209	563.1
1985	162	622.1
1986	121	666.1
1987	93	700.0
1988	70	725.6
1989	62	748.1
1990	59	769.5
1991	54	789.1
1992	46	806.1
1993	40	820.5
1994	34	833.1
1995	32	844.9
1996	31	856.3
1997	27	866.3
1998	22	874.5
1999	21	882.3
2000	20	889.5

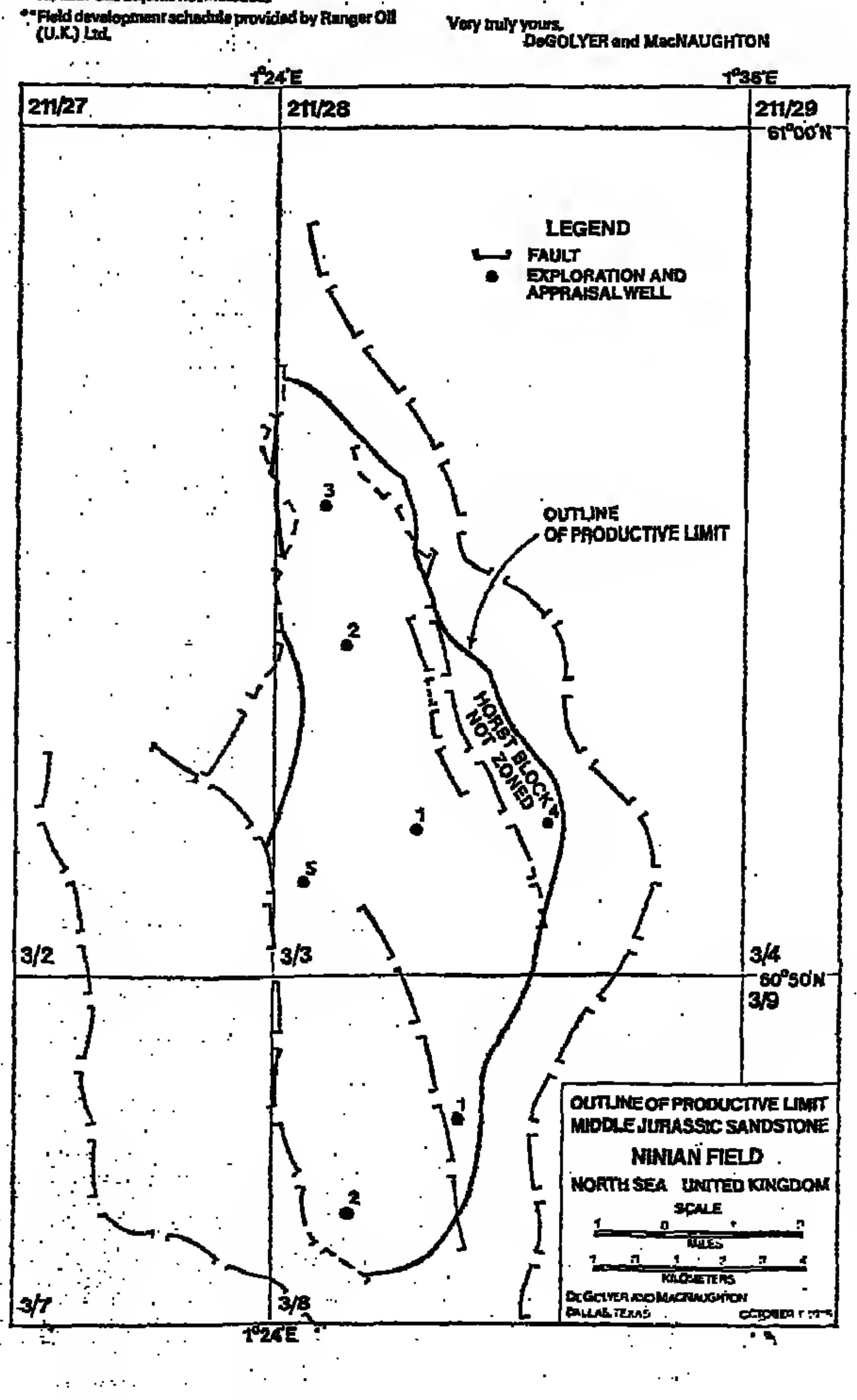
*Natural Gas Liquids not included.
**Field development schedule provided by Ranger Oil (U.K.) Ltd.

TABLE 2
CASE 2
THREE PLATFORM PRODUCTION PREDICTION**
PROVED PLUS PROBABLE

Year	Oil Production (Thousand barrels per day)*	Cumulative Oil Production (Million barrels)*
1978 (6 Months)	75	13.6
1979	189	82.8
1980	287	187.4
1981	330	307.8
1982	330	428.3
1983	330	548.7
1984	312	662.5
1985	219	742.4
1986	171	804.8
1987	124	850.0
1988	91	883.4
1989	66	907.3
1990	56	927.9
1991	52	947.0
1992	45	963.8
1993	41	978.8
1994	39	993.0
1995	33	1,005.1
1996	26	1,014.4
1997	21	1,022.3
1998 (6 Months)	18	1,025.5

*Natural Gas Liquids not included.
**Field development schedule provided by Ranger Oil (U.K.) Ltd.

Very truly yours,
DeGOLYER and MacNAUGHTON



APPENDIX II

UNITED KINGDOM LICENCE INTERESTS OF LSMO AND OF SCOT

1. Details of Licence Interests

Licence No./Date of commencement	Blocks Number	Blocks Area (sq km)	Estimate of expenditure to 31.12.75 £000	Original work obligation	Present participants
P.114 8th June, 1970	22/18 22/27 23/11 23/27	777.5	SCOT 3,173	Seismic survey and 4 exploration wells. *Seismic survey completed and 3 wells drilled. The fourth well is presently being drilled.*	Ranger (the Operator) 40.00%; **SCOT** 45.00%; IU Oil & Gas Limited 15.00%
P.128 1st January, 1972	48/18b 48/19b	304.3	LSMO 431	1 exploration well. *Obligation completed.*	Ranger (the Operator) 23.00%; **LSMO** 22.50%; Canadian Pacific Oil and Gas of Canada Limited 4.50%; Tanks Oil & Gas Limited 7.08%; Tanks North Sea Limited 2.50%; Kewanee Oil Company (U.K.) Limited 11.67%; Sunlite Oil Company (U.K.) Limited 8.33%; Oxoco (U.K.) Limited 1.25%; Berry Wiggins (Sea Search) Limited 19.17%
P.199 15th March, 1972	3/8	202.5	LSMO 12,101; SCOT 3,668	Seismic survey and 1 exploration well. *Obligation completed.*	BP (the Operator) 50.00%; Ranger 20.00%; **LSMO** 23.00%; **SCOT** 7.00%
P.229 15th March, 1972	3/30 4/21 4/26 21/18	480.9	LSMO 1,264; SCOT 25	Seismic survey and 2 exploration wells. *Obligation completed.*	Ranger (the Operator) 40.00%; **LSMO** 50.00%; **SCOT** 1.00%; Canadian Pacific Oil and Gas of Canada Limited 9.00%

2. **Licence Terms**

Licences to search and bore for and get petroleum, which includes both oil and natural gas, within the United Kingdom, [illegible]

... agreement under which a person becomes entitled to, or to any proceeds of sale of, petroleum which when the agreement is made has not been but may be extracted. No such consent is necessary for sales of petroleum under which the price is payable, or the petroleum is to be exchanged, after extraction. Government consent is also required for, among other things, abandoning a well, suspending drilling of a development well, employing an operator not approved by the Government for the purpose, and permitting any right under the licence to become exercisable by or for the benefit of another person (other than the making of surveys by holders of a Government licence).

The Government has discretion to revoke a licence in certain circumstances, including where there is a change in control of a licensee, where the licensee fails to observe any of the terms and conditions of the licence, or fails to make a payment due to the Government within two months of the due date, or has a receiver appointed, or goes into liquidation, or ceases to have its central management and control in the United Kingdom. Where an approved development programme exists in relation to part of the licensed area, the Government may not revoke the licence in relation to that part on the grounds of non-observance of another development programme in respect of a different part of the licensed area. When the Government has power to revoke a licence in respect of the whole or part of the licensed area, it may in certain circumstances, at its discretion, exercise such power in relation to part only of such area.

Disputes between the Government and the licensee are to be referred to arbitration unless the license expressly reserves determination of the matter in dispute to the Government.

3. **Depletion Control**

The Government has taken the power in the Act to control the rates of production from fields in the United Kingdom. At the time of agreeing a development plan for a field, the Government will establish limits within which they can impose their depletion control. At the present time, the full development plan for the Field has not been agreed with the Government. The latest full statement on Depletion Policy was made by the Secretary of State for Energy on 6th December, 1974, and included an indication that no depletion control would be implemented until 1982 or four years after production commences, whichever is the later; that no delay would be imposed on the development of discoveries made prior to 1976, which includes the Field; and that, for fields found after 1975, no cuts would be made until 150 per cent. of capital investment had been recovered and that generally cuts would be limited to 20 per cent. at most.

APPENDIX III

LETTERS FROM THE DEPARTMENT OF ENERGY

These letters are the ones referred to in paragraphs 6 and 14 above.

The following is the text of identical letters from the Department of Energy dated 14th November, 1975 addressed to Mr. G. W. Searle, as the Managing Director of LSMO and SCOT respectively.

Dear Sir

I refer to the negotiations which are taking place between us concerning public sector participation in the interest held by you in the Ninian project. I am pleased that the discussions are progressing well and I confirm that it is the intention of Ministers to see that an Agreement is concluded and executed as soon as possible to implement this important part of the Government's North Sea oil policy.

2 I am authorised by Ministers to confirm that a participation agreement under which the British National Oil Corporation (BNOC) secured title to 51% of your Ninian interest would, at your request, provide that BNOC would be responsible, in return for a suitable reward to be negotiated, for providing 51% of the capital costs arising from the date of participation. In this particular case participation and hence the contribution to costs would extend to your interest in the Ninian Pipeline and Sullom Voe Terminal. 51% of pre-participation expenditure would be recovered out of BNOC's 51% share of revenues from production pari-passu with the recovery by BNOC of its costs arising from the date of participation. I am also authorised to discuss with you at your request arrangements whereby, subject to agreement on terms, 51% of your pre-participation expenditure might, in the event of insufficient production, be repaid according to a schedule to be agreed, related to the expected rate of production, the object being to express this undertaking in a form suitable to act as security for a loan.

3 The terms of participation will be designed to ensure that you will be financially neither better nor worse off than if participation had not taken place. The method by which this would be achieved will be decided as a result of

continued overleaf

Appendices: continued

negotiation, but for purposes of illustration, one method would involve BNOC, in return for the assignment to the Corporation of 51% of your interest, making payments (if any should be appropriate) to your company under Section 41 of the Petroleum and Submarine Pipelines Act 1975 to restore your company's net revenue to the level which would have obtained had participation not taken place. Another method might be for you and BNOC to enter into long term sale and buy back arrangements whereby you would realise the market price, less agreed expenses, from the sale of the oil to which BNOC had secured title under the participation agreement, separate arrangements being made for the recovery of the Corporation's capital contribution and related reward.

4 Unless you request a form of financing arrangement for BNOC's interest which would have that effect the participation arrangements will contain no provision which will adversely affect your Company's enjoyment of the 49% interest remaining to it. This assurance could not, of course, apply should you seek and be granted support arrangements in respect of your 49% interest.

5 A participation agreement on the above lines would, so far as your interest in the Ninian Field is concerned, fully satisfy the Government's policy regarding participation in existing licences (as outlined in the White Paper "UK Offshore Oil and Gas Policy", 1974, Cmnd. 5696).

6 It is our intention to pursue negotiations with a view to concluding an agreement on participation by 1 April 1976. If this has not been achieved by that date, then, if the delay is caused by a change in Government policy or delay in constituting BNOC, or if I can advise the Secretary of State that for some other reason not occasioned by you participation cannot be achieved within the principles set out above, the Department of Energy will, provided it is satisfied that no satisfactory alternative is available to you, use its best endeavours to assist you to finance the 51% share of costs referred to above arising after 1 July 1976. The terms of this assistance will be related to the circumstances in which the delay arises.

Yours faithfully

R J PRIDDLE
An Assistant Secretary in the
Department of Energy
14 November 1975

The following is the text of identical letters from the Department of Energy dated 20th January, 1976 addressed to Mr. G. W. Searle, as the Managing Director of LSMO and SCOT respectively.

20 January 1976

Dear Sir

Further to my letter of 14 November, 1975 and following the discussions which we have held since that date you have indicated that you intend to raise the funds necessary to meet the full cost of the development of your company's present interest in the Ninian Field. I am authorised by Ministers to confirm that if, under a Participation Agreement with your Company, the British National Oil Corporation ("BNOC") is not called upon to provide any funds towards the costs of the project, your Company will continue to enjoy the full financial benefit of its present interest in the project and accordingly will be financially neither better nor worse off.

2 It is now our joint intention to press ahead with negotiations on the above basis in the expectation that an agreement on participation will provide for BNOC to obtain title to 51% of your interest in the Ninian Field, participating in the operating committee and enjoying its proportionate voting rights. In return for your remaining responsible for all exploration, development and operating costs (including Government royalties), however you would continue to own beneficially all relevant assets and all petroleum produced, subject to BNOC having an option (under an option agreement on commercial terms) to purchase 51% of the production at market price.

Yours faithfully

R J PRIDDLE

APPENDIX IV

ACCOUNTANTS' REPORT ON LSMO

The following is a copy of a report by Whinney Murray & Co., Chartered Accountants:—

The Directors,
London & Scottish Marine Oil Company Limited
Morgan Grenfell & Co. Limited

175 West George Street,
Glasgow G2 2LD

30 January 1976

Gentlemen:

1. We have examined the audited accounts of London & Scottish Marine Oil Company Limited ("LSMO") for the periods relevant to this report. We have been auditors of LSMO since incorporation and of its subsidiary companies since their acquisition by LSMO. The subsidiaries' undertakings have been transferred to LSMO since 31 August 1975 and they have ceased to trade. Accordingly references to LSMO in the narrative of this report include, where applicable, both LSMO and the subsidiaries.

The summarised profit and loss accounts and balance sheets set out below are based on the audited accounts after making such adjustments as we consider appropriate. In our opinion, subject to LSMO's ability to obtain such additional finance (including that now being raised) as it may require to continue as a going concern, these summaries together with the notes thereon, give a true and fair view of the results of LSMO for the relevant periods and of the state of affairs of LSMO on the accounting dates.

2. ACCOUNTING POLICIES

(1) *Ninian expenditure*

Exploration expenditure is stated at cost.

Development expenditure, including pipeline and terminal costs, is stated on the basis of cash calls made to date by the operators of the project. These calls represent LSMO's proportion of the operators' estimates of approved expenditure to be incurred in each period.

Exploration and development expenditure is being charged by the operators in the shares and on the conditions set out in the relevant cost sharing and operating agreements. This expenditure will be amortised, when the Ninian Field becomes productive, on the basis of the proportion that the actual production in the relevant accounting period bears to the total proved reserves of the field planned to be recovered.

(2) *Deferred expenditure*

Deferred expenditure consists of costs incurred in exploration of licence areas other than Ninian and has been charged by the operators in the shares and on the conditions set out in the relevant operating agreements. These costs are carried forward until particular areas are determined to be commercially viable to which case they will be capitalised and amortised. Costs in areas currently determined not to be commercially viable are written off.

(3) *Taxation*

Account has not been taken for taxation purposes of allowances in respect of exploration expenditure incurred prior to the commencement of trading or of allowances due on development and exploration expenditure since that date.

(4) *Rates of exchange*

Foreign currency has been translated into sterling at the rates ruling at the date of each relevant transaction.

3. PROFIT AND LOSS ACCOUNTS

The results of LSMO for the periods under review were as follows:—

	Note	11 months ended 31 March 1972 £	9 months ended 31 December 1972 £	Year ended 31 December 1973 £	Year ended 31 December 1974 £	8 months ended 31 August 1975 £
Interest receivable	(2)	—	1,545	11,243	14,164	39,228
Less: Expenses	(3)	2,063	1,627	2,695	11,954	266,225
Interest payable	(4)	—	—	—	1,241	178,565
Deferred expenditure written off	(7)	—	—	—	—	1,170,808
		2,063	1,627	2,695	13,195	1,615,598
Profit/(loss) before taxation	(1)	(2,063)	(82)	8,548	969	(1,576,370)
Less: Taxation	(5)	—	626	5,509	1,679	—
Profit/(loss) after taxation		(2,063)	(708)	3,039	(710)	(1,576,370)
Brought forward		—	(2,063)	(2,771)	268	(442)
Balance sheet		£(2,063)	£(2,771)	£268	£(442)	£(1,576,812)

4. BALANCE SHEETS

The balance sheets of LSMO on the various accounting dates in the periods under review, and of LSMO and its subsidiaries at 31 August, 1975, adjusted as we consider appropriate, and arrived at in accordance with the notes below, were as follows:—

	Note	LSMO 31 March 1972 £	LSMO 31 December 1972 £	LSMO 31 December 1973 £	LSMO 31 December 1974 £	LSMO 31 August 1975 £	LSMO and its subsidiaries 31 August 1975 £
FURNITURE and FITTINGS		—	—	—	77	676	676
NINIAN EXPENDITURE	(6)						
Exploration		—	—	346,387	1,034,590	1,125,412	1,618,121
Development		—	—	—	326,223	3,496,087	5,173,334
		—	—	346,387	1,360,813	4,621,493	6,793,455
DEFERRED EXPENDITURE	(7)	128,748	299,267	610,849	637,491	2,183,659	2,642,389
Less: written off		—	—	—	—	1,170,808	1,170,808
		128,748	299,267	510,849	637,491	1,012,851	1,471,531
INTEREST IN SUBSIDIARIES							
Shares at cost, less amounts written off	(3) (b) (ii)	—	—	—	—	667,073	—
Amount due by subsidiaries		—	—	—	—	1,349,279	—
		—	—	—	—	2,016,352	—
UNQUOTED INVESTMENT	(8)	—	7,536	31,118	31,118	92,852	87,118
CURRENT ASSETS							
Debtors		—	—	2,056	54,370	4,158	4,290
Cash in bank		170,000	5,659	2,067	1,111	—	741
Short term deposits		—	30,919	49,000	174,681	1,310,000	1,310,000
		170,000	36,578	53,123	230,162	1,314,158	1,315,001
Less: CURRENT LIABILITIES							
Floating Rate Unsecured Loan Stock 1976	(9)	—	—	—	—	6,041,483	6,041,483
Creditors		143,478	19,627	14,252	90,829	439,739	489,381
Bank overdraft (unsecured)		—	—	—	—	14,875	14,875
Taxation		—	375	5,807	1,679	2,522	2,522
		143,478	20,002	20,059	92,508	6,498,619	6,548,261
Net current assets/(liabilities)		26,522	16,576	33,064	137,654	(5,184,460)	(5,233,260)
NET ASSETS		155,270	323,378	921,418	2,167,153	3,119,570	3,119,570
Add: Preliminary expenses, etc.	(3) (b) (iii)	12,667	13,850	13,850	37,905	—	—
		£167,937	£337,229	£935,268	£2,205,058	£3,119,570	£3,119,570
Financed by: SHARE CAPITAL	(10)						
Shares of £1 each fully paid		—	—	—	1,700,000	2,471,780	2,471,780
Shares of £1 each partly paid		170,000	340,000	935,000	505,500	2,224,602	2,224,602
		170,000	340,000	935,000	2,205,500	4,696,382	4,696,382
Less: PROFIT AND LOSS ACCOUNT		(2,063)	(2,771)	268	(442)	(1,576,812)	(1,576,812)
		£167,937	£337,229	£935,268	£2,205,058	£3,119,570	£3,119,570

5. NOTES TO THE ACCOUNTS

(1) *Subsidiary companies*

LSMO's two subsidiaries, William Reay & Company, Limited and Natural Resources Limited, are wholly owned and were acquired by an exchange of shares during the period ended 31 August 1975. Since acquisition the subsidiaries have received no income and all revenue expenditure has been borne by LSMO: accordingly the subsidiaries have no profits or losses and no consolidated profit and loss account is required.

(2) *Interest receivable*

LSMO's sole income in the period under review has been interest on short-term deposits.

(3) *Expenses*

Expenses include:—

(a) the remuneration of a Director for executive services amounting to £2,083 in the year ended 31 December 1974 and £3,333 in the period ended 31 August 1975. In the year ended 31 December 1975, the remuneration of this Director amounted to £5,000, and under the arrangements now in force his remuneration in the year ending 31 December 1976, will amount to £5,000. No remuneration has been paid to any other director prior to 31 December 1975, and no decision has been taken as to future payments of directors' fees; and

(b) in the period ended 31 August 1975:—

(i) professional fees and other costs amounting to £102,771 relating principally to the issue of Floating Rate Unsecured Loan Stock 1976 and to the acquisition of subsidiaries;

(ii) an amount of £81,052 written off the cost of shares in subsidiaries representing the excess of the amount credited as paid up on the shares issued as purchase consideration for the subsidiaries over the book amount of their net assets at the dates of acquisition;

(iii) preliminary expenses etc. written off, amounting to £66,184.

(4) *Interest payable*

In the period to 31 August 1975 the interest charge includes an amount of £177,644 in respect of interest payable on the Floating Rate Unsecured Loan Stock 1976 issued during the period.

(5) *Taxation*

Taxation has been charged on interest receivable in the periods prior to 31 December 1973. Part or all of the taxation provided in 1974 may be recoverable following agreement with the Inland Revenue regarding the date on which trading commenced, and, because of the availability of substantial losses, no taxation has been provided in the period to 31 August 1975.

(6) *Ninian expenditure*

No formal valuation has been carried out on behalf of LSMO and the value of this expenditure depends *inter alia* on the commercial prospects of the Ninian Field and on the ability of LSMO to continue to finance its share of the development costs. Exploration expenditure includes the cost of seismic surveys and associated work, and the drilling of exploratory wells. Development expenditure consists of cash calls by the operators in respect of LSMO's proportion of the cost of production facilities and an accrual for related administration charges.

(7) *Deferred expenditure*

No formal valuation of this expenditure has been carried out on behalf of LSMO. Exploration expenditure in areas which are currently considered not to be commercially viable has been written off.

(8) *Unquoted investment*

This investment represents the interest of LSMO in European Marine Oil N.V., being 12% per cent. of its issued share capital. The investment is stated at cost, including the dollar premium paid, which in the opinion of the Directors is its market value. No dividends have been received during the periods under review. There is a contingent liability of £47,394 in respect of calls not yet made (translated at foreign exchange rates ruling at 31 August 1975, excluding the dollar premium).

(9) *Floating Rate Unsecured Loan Stock 1976*

During the period ended 31 August 1975, LSMO created £12,068,200 Floating Rate Unsecured Loan Stock 1976 of which, at that date, £1,451,266 had been issued fully paid, £8,300,000 issued 50 per cent. paid and £2,316,934 issued 15 per cent. paid. Since 1 September 1975 £8,026,717 has been received in respect of calls made and accordingly the stock is now fully subscribed. By a resolution dated 23 December 1975 the stockholders agreed to postpone final repayment until 31 March 1976, and the stock was re-denominated Floating Rate Unsecured Loan Stock 1976.

(10) *Share capital*

The authorised share capital of LSMO is 7,500,000 shares of £1 each, of which, at 31 August 1975, there were in issue:—

		£
2,471,780 shares of £1 each fully paid		2,471,780
4,943,560 shares of £1 each 45p paid		2,224,602
7,415,340		£4,696,382

Since 31 August 1975, a call of 55p per share has been made on the partly paid shares, and all shares are now fully paid.

(11) *Commitments*

(a) In terms of the present Cost Sharing Agreement, the interest of LSMO in the Ninian Field at 31 August 1975 amounted in total to 8.9 per cent. of which 3.25 per cent. related to the subsidiaries. On the basis of these percentages the commitments of LSMO as authorised by the Directors at 31 August 1975 were as follows:—

	LSMO £million	Subsidiaries £million	Total £million
Ninian Field	14.3	6.9	21.2
Pipeline	6.3	3.1	9.4
Terminal	3.0	1.5	4.5
	23.6	11.5	35.1

Because of the manner in which contracts are placed by the operators it is possible for LSMO's share of expenditure contracted for to exceed the amounts actually authorised at any one time. Based on the information supplied by the operators, LSMO's share of expenditure contracted for at 31 August 1975 was as follows:—

	LSMO's share £million	Subsidiaries' share £million	Total £million
Ninian Field	15.0	7.3	22.3
Pipeline	3.6	1.8	5.4
Terminal	0.6	0.3	0.9
	19.2	9.4	28.6

Participants in default of financing their share of project expenditure, if the default is made good by other participants, forfeit their entitlement to representation on the Ninian Management Committee. When commercial production commences, the defaulting party reacquires an interest equal to 75 per cent. of the proportion its actual contributions to the project bears to the actual contributions of all participants up to that time. If the project is abandoned prior to production, these arrangements are cancelled and the defaulter again becomes liable for its full share of development costs up to the date of abandonment.

(b) LSMO has interests in other licence areas in respect of which all the obligations under the licences have been fulfilled. Certain additional exploration expenditure is being incurred for which the commitment at 31 August 1975 amounted to £385,128 (of which £126,569 related to the subsidiaries), and for which contracts had been placed.

6. DIVIDENDS

No dividends have been paid by LSMO since incorporation.

7. ACCOUNTS

No accounts have been prepared for submission to members since those for the year ended 31 December 1974. Interim accounts for the period ended 31 August 1975 have been prepared and audited for the purposes of this report.

Yours faithfully,

WHINNEY MURRAY & CO.
Chartered Accountants

APPENDIX V

ACCOUNTANTS' REPORT ON SCOT

The following is a copy of a report by Arthur Young McClelland Moores & Co., Chartered Accountants:—

The Directors,
Scottish Canadian Oil & Transportation Company Limited,
Morgan Grenfell & Co. Limited.

151 West George Street,
Glasgow, G2 2JF
30th January, 1976.

Gentlemen,

1. We have examined the audited accounts of Scottish Canadian Oil & Transportation Company Limited ("SCOT") from 15th January, 1970, the date of incorporation, to 31st August, 1975, and have acted as auditors throughout this period.

2. As noted in paragraph 6 (5) and (6) the ultimate value of SCOT's licence interests depends on the outcome of further exploration in areas where no determination has been made as to whether they are commercially viable, and its ability to obtain such additional finance (including that now being raised) as it may require to continue as a going concern. In our opinion, subject to the foregoing, the summarised profit and loss accounts and balance sheets set out below, together with the accompanying notes, give a true and fair view of the results of SCOT for the periods reported on and of its state of affairs at each period end.

3. ACCOUNTING POLICIES

(a) *Ninian Expenditure*

Exploration expenditure is stated at cost. Development expenditure, including pipeline and terminal costs, is stated on the basis of cash calls made to date by the operators of the project. These calls represent SCOT's proportion of the operators' estimates of approved expenditure to be incurred to each period.

Exploration and Development Expenditure is being charged by the operators at the shares and on the conditions set out in the relevant cost sharing and operating agreements. This expenditure will be amortised when the Ninian Field becomes productive on the basis of the proportion that the actual production in the relevant accounting period bears to the total proved reserves of the field planned to be recovered.

(b) *Deferred Expenditure*

Deferred expenditure consists of costs incurred in exploration of licence areas other than Ninian and has been charged by the operators in the shares and on the conditions set out in the relevant operating agreements. These costs are carried forward until particular areas are determined to be commercially viable in which case they will be capitalised and amortised. Costs in areas currently determined not to be commercially viable are written off.

(c) *Rates of Exchange*

Foreign currency has been converted into sterling at the rates ruling at the date of each relevant transaction.

(d) *Taxation*

Account has not been taken for taxation purposes of allowances in respect of exploration expenditure incurred prior to the commencement of trading or of allowances due on development and exploration expenditure since that date.

4. PROFIT AND LOSS ACCOUNTS

The profits/(losses) of SCOT for the period from incorporation to 31st August, 1975, arrived at as described in paragraph 3, were as follows:—

	Note	Period 15.1.70 to 31.12.70 £	Year to 31.12.71 £	Year to 31.12.72 £	Year to 31.12.73 £	Year to 31.12.74 £	Period 1.1.75 to 31.8.75 £
Interest receivable	(1)	144	922	931	31,062	17,298	15,324
Less: Interest payable	(2)	—	—	—	—	—	71,878
Other expenditure	(3)	597	2,183	2,247	3,551	11,647	93,982
Deferred expenditure written off	(6)	—	—	—	—	—	595,640
		597	2,183	2,247	3,551	11,647	761,500
Profit/(Loss) before taxation		(453)	(1,261)	(1,316)	27,511	5,646	(746,176)
Less: Taxation	(4)	58	357	375	15,230	3,650	—
Profit/(Loss) after taxation		(£511)	(£1,618)	(£1,691)	£12,281	£1,996	(£746,176)

5. BALANCE SHEETS

The balance sheets of SCOT at each period end prepared on the bases described in paragraph 3 were as follows:—

	Note	31 December 1970 £	1971 £	1972 £	1973 £	1974 £	31 August 1975 £
FIXED ASSETS							
Office Equipment		—	—	—	—	77	876
Ninian Expenditure—Exploration	(5)	—	—	—	—	467,236	491,555
—Development		—	—	—	—	147,326	1,578,427
		—	—	—	—	614,562	2,070,982
Deferred Expenditure	(6)	109,523	134,191	193,170	295,432	1,719,138	2,593,520
Less: Written off		—	—	—	—	—	(595,640)
		109,523	134,191	193,170	295,432	1,719,138	1,997,880
UNQUOTED INVESTMENT	(7)	—	—	2,612	10,397	10,397	17,398
CURRENT ASSETS							
Debtors		—	—	—	89,372	24,555	2,894
Cash at bank		684	988	4,525	3,135	433	1,104
Short term deposits		—	—	78,743	314,000	185,528	800,000
		684	988	83,268	406,507	210,516	803,998
CURRENT LIABILITIES							
Unsecured Loan Stock 1975	(8)	—	—	—	—	—	1,850,000
Creditors		3,919	30,297	61,942	12,956	61,129	172,086
Taxation		58	357	174	14,265	3,650	4,767
		(3,974)	(30,654)	(62,116)	(27,221)	(64,779)	(2,026,853)
NET CURRENT ASSETS/(LIABILITIES)		(3,290)	(29,666)	21,152	379,286	145,737	(1,222,855)
NET ASSETS		106,236	104,525	222,834	685,115	2,489,911	2,884,281
Preliminary and Formation Expenses		13,251	13,346	13,346	13,346	40,546	—
		119,489	117,871	236,180	698,461	2,530,457	2,884,281
Financed by: ISSUED SHARE CAPITAL	(9)	120,000	120,000	240,000	690,000	2,520,000	3,600,000
PROFIT & LOSS ACCOUNT							
Balance brought forward		—	(511)	(2,129)	(3,820)	8,461	10,457
Profit/(Loss) for year		(511)	(1,618)	(1,691)	12,281	1,996	(746,176)
		(511)	(2,129)	(3,820)	8,461	10,457	(735,719)
		£119,489	£117,871	£236,180	£698,461	£2,530,457	£2,864,281

6. NOTES TO THE ACCOUNTS

(1) *Interest receivable*

SCOT's sole income has been interest on short term deposits.

(2) *Interest payable*

Interest payable in the period ended 31st August, 1975 has been accrued on the Floating Rate Unsecured Loan Stock, and amounts to £56,324.

(3) *Other expenditure*

This includes

(a) preliminary and formation expenses incurred in connection with the formation of SCOT and with the issue of and calls on shares amounting to £51,349 written off in the period ended 31st August, 1975.

(b) professional charges in the period ended 31st August, 1975 of £15,654 in connection with the issue of £3,700,000 Floating Rate Unsecured Loan Stock;

(c) payments of £2,083 in the year ended 31st December, 1974 and £3,333 in the period ended 31st August, 1975, for executive services to the only Director receiving any remuneration. In the year ended 31st December, 1975, the remuneration of this Director amounted to £5,000 and under the arrangements now in force the remuneration for the year ending 31st December, 1976 will amount to £5,000. No remuneration has been paid to any other Director prior to 31st December, 1975, and no decision has been taken as to future payments of directors' fees.

(4) *Taxation*

Taxation has been charged on interest receivable. No corporation tax has been provided in the period ended 31st August, 1975 due to the availability for set-off of substantial losses incurred since SCOT commenced trading. Part or all of the taxation provided in the year ended 31st December, 1974 may be recoverable following agreement with the Inland Revenue on the date of commencement of trading.

(5) *Ninian expenditure*

No formal valuation has been carried out on behalf of SCOT and the value of this expenditure depends *inter alia* on the commercial prospects of the Ninian Field and on the ability of SCOT to continue to finance its share of the development costs.

Exploration expenditure includes the costs of seismic surveys and associated work, and the drilling of exploratory wells. Development expenditure consists of cash calls by the operators in respect of SCOT's proportion of the cost of production facilities and an accrual for related administration charges.

(6) *Deferred expenditure*

No formal valuation of this expenditure has been carried out on behalf of SCOT. Exploration expenditure in areas which are currently considered not to be commercially viable has been written off.

(7) *Unquoted Investment*

The unquoted investment represents SCOT's 2½% interest in the issued share capital of European Marine Oil N.Y. The investment is stated at cost, including the dollar premium paid, which in the opinion of the Directors is its market value. No income has been received from this investment.

There is a contingent liability at 31st August, 1975 of approximately £9,500, excluding the dollar premium, in respect of the uncalled share capital of this investment.

(8) *Floating Rate Unsecured Loan Stock 1976*

During 1975 SCOT created £3,700,000 Floating Rate Unsecured Loan Stock 1975, 50% paid at 31st August, 1975. Since 31st August, 1975 further calls have been made and accordingly the stock is now fully subscribed. By a resolution dated 23rd December, 1975 the stockholders agreed to postpone final repayment until 31st March, 1976, and the Stock was re-denominated Floating Rate Unsecured Loan Stock 1976.

(9) *Share Capital*

At 31st August, 1975 the Share Capital of SCOT consisted of:—

Authorised:	
7,500,000 shares of £1 each	£7,500,000
Issued:	
1,800,000 shares of £1 each, fully paid	£1,800,000
3,600,000 shares of £1 each, 50p paid	1,800,000
5,400,000	£3,600,000

Since 31st August, 1975 further calls have been made and all the shares are now fully paid.

(10) *Commitments*

(a) In terms of the present Cost Sharing Agreement the interest of SCOT in the Ninian Field amounts to 2.1 per cent. On the basis of this percentage SCOT's commitments as authorised by the Directors at 31st August, 1975 were as follows:—

	£ million
Ninian Field	6.4
Pipeline	2.9
Terminal	1.4
	10.7

Because of the manner in which contracts are placed by the operators it is possible for SCOT's share of the expenditure contracted for to exceed the amounts actually authorised at any one time. Based on the information supplied by the operators SCOT's share of expenditure contracted for at 31st August, 1975 was as follows:—

	£ million
Ninian Field	6.7
Pipeline	1.6
Terminal	0.3
	8.6

Participants in default of financing their share of Ninian expenditure, if the default is made good by other participants, forfeit their entitlement to representation on the Ninian Management Committee. When commercial production commences the defaulting party re-acquires an interest in the Field equal to 75% of the proportion its actual contribution to the project bears to the actual contributions of all participants up to that time. If the project is abandoned prior to production, these arrangements are cancelled and the defaulter again becomes liable for its full share of development costs up to the date of abandonment.

(b) SCOT is also a member of consortia with interests in other licence areas. Under the terms imposed by the Government the consortia are committed to drill a certain number of exploratory wells within six years of the granting of each licence, one of which had not been drilled at 31st August, 1975. At 31st August, 1975 the expenditure authorised by the Directors towards SCOT's share amounted to £1.2 million, for which contracts had been placed.

Certain additional exploration expenditure is also being incurred, of which £0.1 million had been authorised by the Directors at 31st August, 1975 towards SCOT's share of these costs, for which contracts have been placed.

7. DIVIDENDS

No dividends have been paid by SCOT since its incorporation.

8. ACCOUNTS

No accounts have been prepared for submission to members since those for the year ended 31st December, 1974. Interim accounts for the eight months ended 31st August, 1975 have been prepared and audited for the purpose of this report.

Yours faithfully,

ARTHUR YOUNG McCLELLAND MOORES & CO.
Chartered Accountants.

APPENDIX VI

PARTICULARS OF THE OIL PRODUCTION STOCKS

This Appendix contains Particulars of the £575,000 Oil Production Stock, divided into 5,750,000 units of 10p each, of LSMO ("the OPS of LSMO") and of the £175,000 Oil Production Stock, divided into 1,750,000 units of 10p each, of SCOT ("the OPS of SCOT"). The OPS of LSMO was created by a resolution of the Board of Directors of LSMO passed on 29th January, 1976, and the OPS of SCOT was created by a resolution of the Board of Directors of SCOT passed on the same day.

The OPS to be issued by the two companies will constitute separate issues, each company being solely responsible for the payments and other obligations in respect of the OPS created by it (subject in each case to possible guarantees from associated companies as referred to in the Particulars). Nevertheless, since the terms and conditions of the two issues of OPS will be identical in almost every respect, and in view of the intention to merge LSMO and SCOT, the two issues of OPS will be constituted by a single Trust Deed ("the Trust Deed") in favour of Commercial Union Assurance Company Limited ("the Trustee") as Trustee. The provisions of the Trust Deed will bind LSMO only in relation to the OPS of LSMO, and SCOT only in relation to the OPS of SCOT (except insofar as either company may subsequently become a guarantor in relation to the OPS issued by the other).

The Trust Deed will contain, *inter alia*, provisions to the effect set out in the following paragraphs.

Save where specifically stated, all the provisions referred to below apply separately to the OPS of LSMO and to the OPS of SCOT. In the Particulars, therefore, in relation to the OPS of LSMO "the Company" means LSMO and "the OPS" means the OPS of LSMO, and in relation to the OPS of SCOT "the Company" means SCOT and "the OPS" means the OPS of SCOT; other defined words and phrases may bear correspondingly different meanings in relation to each issue of OPS.

1. DEFINITIONS

In these Particulars, except where the context otherwise requires, the following expressions shall have the following meanings:—

"Associated Facility"	means any production platform, pipeline, terminal or other facility (not being a part of the Field) for the time being owned or used by the participants in the Field;
"Barrel"	means (i) 42 U.S. gallons of oil at 60 degrees Fahrenheit, or (ii) 42 U.S. gallons of natural gas liquids at 60 degrees Fahrenheit and vapour pressure of the relevant natural gas liquid, or (iii) 5,300 cubic feet of gas at 15 degrees Centigrade and pressure of one atmosphere;
"Block 3/8"	means the sea area bounded by lines joining the following co-ordinates on European Datum: (1) 60°50'00"N:1°24'00"E (2) 60°50'00"N:1°36'00"E (3) 60°40'00"N:1°36'00"E (4) 60°40'00"N:1°24'00"E;
"Business Day"	means a day on which banks are open for business in London;
"chargeable period"	means the first chargeable period and each subsequent half-year;
"the Company"	means LSMO in relation to the OPS of LSMO, and SCOT in relation to the OPS of SCOT;
"the critical half-year"	means the first half-year at the end of which the total amount of petroleum ever won and saved and attributable to the Interest exceeds (in the case of the OPS of LSMO) 115,000 Barrels or (in the case of the OPS of SCOT) 35,000 Barrels;
"Extraordinary Resolution"	means an Extraordinary Resolution (as defined in the Trust Deed) of the Stockholders;
"the Field"	means the Field in the United Kingdom sector of the North Sea known as the Ninian Field containing a reservoir, in Middle Jurassic sandstone, of petroleum underlying part of Block 3/8 and part of the adjacent Block 3/3 and including any reservoir connecting therewith, as such Field may most recently have been delineated in or determined pursuant to the provisions of any of the Field Agreements;
"the Field Agreements"	means the Cost Sharing Agreement relating to the Field dated 25th April, 1975 (as amended) and any unit agreement, unit operating agreement or other agreement for the time being in force and which amends, supplements, replaces or supersedes such Cost Sharing Agreement or which otherwise governs the development or exploitation of the Field or the respective rights of the participants therein;
"Field Stock"	means any securities (including the OPS but excluding any shares) issued by any Qualifying Company which carry a right to receive periodic payments calculated by reference to any interest in the Field (or so much of such securities as for the time being remains outstanding);
"the final chargeable period"	means the chargeable period in which the earliest of the three dates referred to in paragraph 2(C) below occurs;
"the first chargeable period"	means the period ending at the end of the critical half-year (including an unlimited time prior to the beginning of that half-year);
"Further OPS"	means any Field Stock issued by the Company which is constituted by a Deed supplemental to the Trust Deed (or so much thereof as for the time being remains outstanding);
"group of companies"	means a company and all companies which are its 75 per cent. subsidiaries (as defined in Section 532 of the Income and Corporation Taxes Act 1970, as the same was in force on 30th January, 1976) for the time being;
"half-year"	means a period of six calendar months ending on 30th June or 31st December;
"Interest"	means the interest in the Field of the holder of an interest in Block 3/8 equivalent (in the case of the OPS of LSMO) to a 23 per cent. interest in Block 3/8 or (in the case of the OPS of SCOT) to a 7 per cent. interest in Block 3/8 (as such interest in the Field may be varied from time to time following any Redetermination);
"the Interest Variable"	means the aggregate of the interests of each Qualifying Company in the Field divided by the Interest; and for this purpose (i) the Interest and any other interest shall be expressed as a percentage of the Field; (ii) an interest in the Field shall be deemed to include any continuing right to production from the Field, or the proceeds of sale of such production or other financial benefits related to its value; (iii) in determining the percentage of the Field represented by any Interest, regard shall be had to the nature of the interest and the terms under which it is held; and (iv) any such percentage shall be determined as described in paragraph 8(g) below;
"the Licence"	means Petroleum Production Licence number P.199 (as amended by the Petroleum and Submarine Pipe-lines Act 1975) dated 16th August, 1972, granted in respect of Block 3/8 under the provisions of the Petroleum (Production) Act, 1934 and the Continental Shelf Act 1964 and having a commencement date of 15th March, 1972, and any licence or licences relating (in whole or in part) to the whole of the Field or any part thereof as is comprised in Block 3/8 issued in substitution therefor (whether in whole or in part), and any extensions, amendments, variations or renewals of any such licence;
"Market Value"	shall have the meaning ascribed thereto by paragraph 4 below;
"Measured"	means measured as described in paragraph 5(e) below;
"Operating Costs"	means the costs incurred in connection with the production, conveying and treatment of petroleum won from the Field, including but not limited to any such costs incurred in respect of the maintenance of any relevant equipment, as from time to time invoiced or otherwise stated by the relevant Operator or Operators, but excluding:— (a) any such costs incurred in respect of capital expenditure (the question of whether any expenditure is of a capital nature being determined for this purpose by the Reporting Accountants in consultation with the Company having regard to normal accounting practice then current); (b) depreciation; (c) any such costs incurred in respect of bringing a new production or injection well (including any new facilities relating thereto) into operation; (d) any such costs incurred in respect of any activity carried on as part of, or in connection with, the refining of petroleum; (e) any such costs incurred in respect of deballasting; (f) any such costs incurred in respect of petroleum won from the Field after such petroleum has been Measured; and (g) interest and other costs incurred in respect of raising moneys for the use of any Qualifying Company;
"Operator"	means any person or persons appointed for the time being as an operator pursuant to any of the Project Agreements, or any person for the time being fulfilling any of the functions of a person so appointed;
"OPS"	means the OPS of LSMO or the OPS of SCOT (as the case may be) or so much of the relevant issue of OPS as for the time being remains outstanding;
"Payment Date"	means, in the case of a chargeable period ending on 30th June, the next succeeding 31st October and, in the case of a chargeable period ending on 31st December, the next succeeding 30th April, or, if any such 31st October or 30th April is not a Business Day, the next succeeding Business Day;
"petroleum"	means any mineral oil or relative hydrocarbon and natural gas existing in its natural condition in strata, but does not include coal or bituminous shales or other stratified deposits from which oil can be extracted by destructive distillation;
"petroleum won and saved"	means so much of the petroleum produced from the Field as passes through the place where it is Measured;
"Project Agreements"	means the Field Agreements and any other agreement or agreements relating to any Associated Facility;
"Qualifying Company"	means the Company, and any other company incorporated in the United Kingdom which for the time being is a member of the same group of companies as the Company and which for the time being owns an interest in the Field and has given to the Trustee (in a form acceptable to it) an unconditional guarantee of all payments in respect of the OPS and all Further OPS;
"the Redemption Date"	means the Payment Date next following the end of the final chargeable period;
"Redetermination"	means a redetermination (whether interim or final) under or pursuant to the Field Agreements of the sizes of the respective interests of the various participants in the Field;
"Reporting Accountants"	means a firm of Chartered Accountants for the time being agreed between the Company and the Trustee;
"Reporting Date"	means, in the case of a chargeable period ending on 30th June, the next succeeding 15th September and, in the case of a chargeable period ending on 31st December, the next succeeding 15th March;
"a Statement"	means a statement delivered to the Trustee as described in paragraph 5 (a) below;
"a Stockholder"	means a person for the time being entered in the register maintained pursuant to the Trust Deed as the holder of one or more Units or one or more units of Further OPS;
"subsidiary"	shall have the meaning ascribed thereto by Section 154 of the Companies Act, 1948;
"Unit"	means 10p in nominal amount of OPS or such smaller amount as shall for the time being be outstanding following any cancellation pursuant to paragraph 11(H) below of any part of the nominal amount of OPS attributable to a Unit;
"a Unitholder"	means a person for the time being entered in the register maintained pursuant to the Trust Deed as the holder of one or more Units;
"Value of Petroleum"	shall have the meaning ascribed thereto by paragraph 3 below.

›pendices: continued

NTITLEMENT

) (i) For every Unit of which he is the holder, a Unitholder will be entitled, subject to the ons of these Particulars, to receive from the Company on each Payment Date such a cash amount nds sterling as (when added to any amount of Advance Corporation Tax and any other tax for the Company is liable to account in connection with, or which is otherwise available as a tax n respect of, the payment in question, and any tax which the Company is required to deduct in the payment in question) will cause the aggregate of such cash amounts due in respect of all the ien in issue (when added to the aggregate of the amounts of Advance Corporation Tax and other in into account as aforesaid) to equal 8.75 per cent. of the Value of Petroleum relating to the ately preceding chargeable period.

(ii) The aggregate of the cash amount due and the amount of Advance Corporation Tax and x taken into account as aforesaid in respect of a chargeable period shall be the same for each

.) On each Payment Date, the Company shall effect payment of the sums due pursuant to sub- ph (A) above based upon the Statement relating to the immediately preceding chargeable period.

) The Company shall cease to be under any obligation to pay any sums pursuant to sub- ph (A) above in respect of any chargeable period commencing after the earliest of:

(i) the date when the total quantity of petroleum won and saved attributable to the Interest reaches 92,000,000 Barrels (in the case of the OPS of LSMO) or 28,000,000 Barrels (in the case of the OPS of SCOT);

(ii) the date when commercial production from the Field is finally abandoned pursuant to the Field Agreements or by mutual consent of all the participants in the Field; and

(iii) 31st December, 2010.

) Each half-yearly payment made to a Unitholder pursuant to sub-paragraph (A) above shall be respect of his aggregate holding of Units and shall be rounded up to the next integral multiple of llest unit of currency in which it is possible to draw a cheque in respect of the payment in accord- th banking practice at the time of the payment.

) Any tax taken into account for the purposes of sub-paragraph (A) above in respect of a Unit- hall be computed at the rate or rates in force on the relevant Payment Date in respect of payments he said sub-paragraph (A) to the relevant Unitholder, but assuming that such Unitholder is a treated as resident in the United Kingdom for tax purposes. The Company will, however, be in its absolute discretion to compute the amount of any cash payment due to a Unitholder and unt of any such tax as aforesaid on the basis that the said Unitholder is a person treated as resi- r tax purposes in a particular country other than the United Kingdom if the Company has received e which it, in its absolute discretion, shall consider satisfactory of such treatment.

LUE OF PETROLEUM

) The Value of Petroleum relating to a chargeable period is the Market Value of the quantity of m won and saved during the period attributable to the Interest, less the aggregate of (i) the of any payments due during the period in respect of Operating Costs attributable to the Interest; the Government royalty (as defined in sub-paragraph (B) below).

) For the purposes of sub-paragraph (A) above, the Government royalty means the aggregate of:

the aggregate amounts of royalty payable to the Government in cash by each of the Qualifying Companies pursuant to the Licence in respect of the relevant chargeable period; and

the aggregate Market Value of all petroleum won and saved due to be delivered to the Govern- ment by each of the Qualifying Companies pursuant to the Licence in respect of the relevant chargeable period, less any payment or rebate made or due to be made by the Government in respect of transportation or treatment of any petroleum so due to be delivered.

d by the proportion which the number of Barrels of petroleum won and saved during the period ble to the Interest bears to the aggregate of the number of Barrels of petroleum won and saved e period on which the payments and deliveries referred to in (i) and (ii) above are based.

RKET VALUE OF PETROLEUM

For the purposes of these Particulars, the Market Value of any petroleum shall be ascertained dance with this paragraph; and in this paragraph the time as at which a Market Value is to be ed is referred to as "the relevant time".

If and to the extent that a market value at the relevant time shall be ascertained in accordance provisions of paragraph 2 of Schedule 3 to the Oil Taxation Act 1975 (or any statutory modifi- -enactment, replacement or extension thereof or any regulation made thereunder) for petroleum saved from the Field and attributable to the interest in the Field of the Reference Qualifying y (as defined in sub-paragraph (E) below), such market value (expressed as a price per Barrel) used in computing the Market Value at the relevant time for petroleum of a similar kind and rovided that

if there shall be more than one such market value for petroleum of a particular kind and quality, the average thereof (weighted by reference to the quantities of petroleum by reference to which the relevant market values were ascertained as aforesaid) shall be taken; and

if the Company or the Trustee shall, before or within 15 days after the Reporting Date relating to the chargeable period within which the relevant time occurs, give written notice to the other of them that the method of determining the Market Value of oil, natural gas liquids or gas then effective (whether such method is by reference to the Oil Taxation Act 1975 (or any statutory modification, re-enactment, replacement or extension thereof or any regulation made there- under) as described in the preamble to this sub-paragraph (B) or some other method pre- viously determined pursuant to this proviso) is not, in its absolute discretion, acceptable for the purposes of paragraph 3 above, the Market Value of any oil, natural gas liquids or gas (as the case may be) (including any Market Value to be determined at any relevant time falling within the chargeable period to which such Reporting Date relates) shall thenceforth (until this proviso is next invoked) be determined by a method to be determined as described in para- graph 5(g) below as being a method suitable for determining prices at which petroleum of equivalent kind and quality would be sold to a willing third party buyer (or, if sale is required to be made to one buyer or a limited class of buyers, then to that one or a member of that class) in a sale at arm's length at the price for current loadings at the relevant time and on terms that the petroleum is in the state in which petroleum is Measured at the relevant time and (in the case of oil or natural gas liquids) would have been delivered at the place where it is Measured f.o.b. for shipment in full cargo lots or (in the case of gas) would have been delivered at the place where it is Measured, the purchaser being responsible for all conveying and other costs arising in respect of the gas after it has passed through such place.

The Market Value of any petroleum falling within paragraph 3(A) or 3(B)(ii) above shall be by ascertaining, for each calendar month, the Market Value at the material time of so much, if at petroleum as was won and saved or due to be delivered (as may be appropriate) in that month.

In sub-paragraph (C) above and elsewhere in these Particulars, "calendar month" means a the calendar year, and "the material time", in relation to a calendar month, means noon on, in the month containing an odd number of days, the middle day of the month and, in the case of a ntaining an even number of days, the last day of the first half of the month.

For the purpose of this paragraph 4, (i) if for the time being any Qualifying Company has an t the Field greater than the interest of any other Qualifying Company it shall be the Reference g Company, and (ii) if for the time being two or more Qualifying Companies have equal interests d each of which is greater than that of any other Qualifying Company, the Reference Qualifying shall be the Company (if it is one of those two or more Qualifying Companies) or (if it is not) ich one of them as the Company shall nominate for this purpose.

ORTING, ADJUSTMENTS AND MEASUREMENT

Trust Deed will contain detailed provisions to the following effect:

the Company shall, on or before each Reporting Date, deliver a statement to the Trustee setting out the Value of Petroleum relating to the immediately preceding chargeable period, and con- taining information specified in the Trust Deed relevant for the purposes of calculating the amount thereof, and amendments shall be made thereto in the light of subsequent information available up to a date two weeks prior to the relevant Payment Date;

the Reporting Accountants shall examine each Statement and shall report to the Trustee and the Company whether, in their opinion, the figures and calculations recorded therein are arrived at in accordance with the terms of the Trust Deed (but such Reporting Accountants shall not be required to check the physical measurement of any petroleum, and shall be entitled to rely upon any certificate or statement issued by any Operator);

if any figure necessary for the calculation of any half-yearly payment due under paragraph 2(A) above is not agreed by the Reporting Accountants in their report relating thereto, or has not been determined pursuant to the Trust Deed by a date two weeks prior to the relevant Payment Date, the payment in question shall be based upon a provisional figure, to be determined as specified in the Trust Deed;

any adjustment to a calculation or figure on which any such half-yearly payment is based (whether caused by the later determination of any figure referred to in (c) above, or any error found in the measurement of petroleum, or otherwise) shall be reflected, in the manner speci- fied in the Trust Deed, in the next half-yearly payment after such adjustment is made, and shall not be treated as an adjustment of any previous half-yearly payment;

he Company shall, at its expense, cause all petroleum won and saved to be measured (at a place to be agreed between the Company and the Trustee, expected to be Sullom Voe) using he measuring appliances for the time being in use in respect of production from the Field and shall ensure the accuracy of such measurement so far as it is able to do so under the Project Agreements;

he Trustee may require the Company to use its reasonable endeavours to have any such measuring appliance tested, and may require subsequent half-yearly payments to be adjusted f any such appliance is found to be inaccurate, but subject thereto, the measurements referred o in (e) above shall form the basis of calculations hereunder;

f any figure or other matter relevant for the calculation of any payment due on the OPS fails to e determined under the Trust Deed, the Company and the Trustee shall endeavour to reach agreement thereon, but, failing such agreement within 30 days, the matter shall be determined by an independent expert as specified in the Trust Deed (one half of the costs of such deter- mination being deducted when calculating the next half-yearly payment).

THER ISSUES

So long as any of the OPS remains outstanding, the Company shall procure that no further is issued, without the sanction of an Extraordinary Resolution, unless

uch Field Stock carries a right to receive half-yearly payments which are calculated only by eference to periods which are also chargeable periods and which are payable only on dates which are also Payment Dates; and

n the case of an issue of further Field Stock to be effected on or prior to the first Payment Date

a) immediately following the issue of such Field Stock, the total percentage of the Value of Petroleum to be taken into account in determining the aggregate half-yearly payments on all the Field Stock then in issue would not exceed 11 per cent., multiplied by the Interest Variable then applicable; and

b) the half-yearly payments on such Field Stock are calculated in a manner identical with those on the OPS (except that there may be a different entitlement in respect of the first half-yearly payment on such Field Stock and that the further Field Stock may be entitled to payments computed by reference to a different percentage of the Value of Petroleum from that stated in paragraph 2(A) above); or

n the case of an issue of further Field Stock to be effected after the first Payment Date, such ssue would not cause

a) the aggregate sum which the Qualifying Companies would have been due to pay in respect of all the Field Stock on the last Payment Date to occur prior to the date of issue of such further Field Stock

o exceed

b) 11 per cent. of the Value of Petroleum for the last chargeable period ended prior to that Payment Date, multiplied by the Interest Variable applicable immediately following the date of such issue.

he aggregate sum referred to in paragraph (A) (iii) (a) above shall be calculated (in accord- he respective terms of the relevant issues of Field Stock) as if all, but only, such securities as issue immediately after the issue of the further Field Stock in question had been in issue on the ate therein referred to, and the Value of Petroleum referred to in paragraph (A) (iii) (b) above culated in accordance with these Particulars (but subject, in the case of each such calculation, erations as may be agreed between the Company and the Trustee for the purpose of this i).

ny further Field Stock issued by the Company may, if the Trustee consents thereto, be con- a Deed or Deeds supplemental to the Trust Deed. If such Field Stock shall be issued upon is or is to be identical (or identical save for the making of the first half-yearly payment thereon) PS, the Company shall be entitled so to constitute the said Field Stock and to consolidate the he OPS so as to form a single issue therewith.

7. RESTRICTIONS ON TRANSFERS OF INTERESTS IN THE FIELD

(A) So long as any of the OPS remains outstanding, no Qualifying Company shall, without the sanction of an Extraordinary Resolution, sell, transfer or otherwise dispose of any part or parts of its interest for the time being in the Field (nor shall any Qualifying Company cease to be a Qualifying Company) if, following such disposal or cessation, no Qualifying Company could issue any Field Stock without the sanction of an Extraordinary Resolution without causing a breach of paragraph 6(A) above, provided that the foregoing prohibition shall not apply to Unilateral Abandonment or Involuntary Relinquishment (as defined in paragraph 11 (A) below).

(B) If so requested by the Company, the Trustee will (provided that a breach of sub-paragraph (A) above would not be caused thereby) at the expense of the Company release a Qualifying Company from the guarantee it has given of the OPS and any Further OPS, whereupon such company shall cease to be a Qualifying Company.

8. NEGATIVE PLEDGE

(A) So long as any of the OPS remains outstanding, no Qualifying Company shall create or permit to arise or subsist any mortgage or charge upon the whole or any part of its interest in the Field or the Licence or any Associated Facility, or any production from the Field or the proceeds of sale or other disposal of any such production, unless the same shall be approved by an Extraordinary Resolution or unless the same security, or such other security as the Trustee in its absolute discretion shall on each occasion deem reasonably equivalent thereto or as shall be approved by an Extraordinary Resolution, shall previously have been or shall forthwith be extended equally and rateably to the OPS and any Further OPS, provided that the foregoing restriction shall not apply to any mortgage or charge:

(i) which is created or arises after the fifteenth Payment Date; or

(ii) insofar as the same is in favour of any Operator, or participant in the Field or any Associated Facility, as security for any sums which may become due to such Operator in its capacity as such or to such participant by virtue of the Project Agreements.

(B) If

(i) a mortgage or charge of a Qualifying Company which caused security to be extended to the OPS and any Further OPS pursuant to sub-paragraph (A) above is released; or

(ii) a Qualifying Company whose mortgage or charge caused security to be extended as aforesaid ceases to be a Qualifying Company,

then, unless a breach of sub-paragraph (A) of this paragraph would be caused thereby, the Trustee shall (at the request and expense of the Company) release the relevant security which was extended as aforesaid.

(C) The Trustee shall (at the request and expense of the Company) release after the fifteenth Payment Date any security extended to the OPS and any Further OPS pursuant to sub-paragraph (A) above.

9. OTHER COVENANTS

(A) The Company will covenant, so long as any of the OPS remains outstanding:

(i) to take all reasonable steps to maintain the listing of the OPS on The Stock Exchange; and

(ii) to comply with all its obligations under the Licence and the Project Agreements and to use its reasonable endeavours to do such further things and carry out such further actions as may be required to maintain the Licence in full force and effect.

(B) Each Qualifying Company will become bound to observe certain of the obligations of the Com- pany under the Trust Deed. However, no act or omission of a Qualifying Company (other than the Company) will be deemed an event of default which may give rise to accelerated repayment of the OPS under paragraph 11 (B) below if, immediately prior to such act or omission, the Company could have required the Trustee to release such Qualifying Company from its guarantee pursuant to paragraph 7 (B) above, but such company shall thereafter cease to be a Qualifying Company.

10. REPAYMENT AND PURCHASE

(A) The outstanding nominal amount of the OPS will be repaid at par on the Redemption Date.

(B) The Company and its subsidiaries for the time being may purchase OPS through the market or by tender (available to all Unitholders alike) at any price or by private treaty at a price per Unit (exclu- sive of expenses) not exceeding 110 per cent. of the middle market quotation of a Unit as shown by The Stock Exchange Daily Official List for the last business day preceding the date of purchase, but not otherwise.

(C) All OPS purchased by the Company or any of its subsidiaries will be cancelled forthwith and the Company and its subsidiaries shall not be entitled to keep the same alive for the purpose of re-issue. Upon any such cancellation of any OPS, the percentage of the Value of Petroleum referred to in para- graph 2 (A) above shall thereafter be reduced by the proportion which the number of Units cancelled bears to the number of Units in issue immediately prior to the cancellation.

11. ACCELERATED REPAYMENT

(A) For the purposes of this paragraph:

"Unilateral Abandonment"	means voluntary relinquishment by each of the Qualifying Companies of the whole of its interest in the Field otherwise than as part of a final abandonment as referred to in paragraph 2(C) (ii) above;
"Involuntary Relinquishment"	means the involuntary transfer, disposal, or reduction in the beneficial enjoyment, of any Interest in the Field by any Qualifying Company due to any legislation or the action of any government or governmental body or agency, but excluding any such transfer, disposal or reduction which would not cause an alteration in the Interest Variable (Involuntary Re- linquishment being described as partial if thereafter a Qualifying Company still retains an interest in the Field);
"Relinquished Percentage"	means such percentage of the aggregate of the interests of each Qualifying Company in the Field immediately preceding any partial Involuntary Relinquishment as has been involuntarily relinquished by any of the Qualifying Companies in the course thereof; and
"the Aggregate Market Valuation"	means the aggregate valuation of the OPS (based on the average of the middle market quotations as shown in The Stock Exchange Daily Official List of a Unit on the ninety business days preceding, in the case of sub-paragraph (B) below, the occurrence of the event of default or Unilateral Abandonment or, in the case of sub-paragraph (C) below, the first public announcement of the Involuntary Relinquishment) outstanding on the last of such ninety business days.

(B) If Unilateral Abandonment shall occur or if the Trustee or the Unitholders by Extraordinary Resolution shall require accelerated repayment of the OPS following any of the events of default describ- ed in the Trust Deed, the Unitholders will become entitled, *pro rata* to the number of Units held by them, to an aggregate payment equal to the higher of the Aggregate Market Valuation and the outstanding nominal amount of the OPS.

(C) In the event of any Involuntary Relinquishment, the Unitholders will become entitled, *pro rata* to the number of Units held by them, to an aggregate payment equal to the lower of:

(i) the higher of the Aggregate Market Valuation and the outstanding nominal amount of the OPS (multiplied, in the case of a partial Involuntary Relinquishment, by the Relinquished Per- centage); and

(ii) one-fifth of the aggregate amount or value of any compensation (net of any relevant tax) paid to the Qualifying Companies in respect of such Involuntary Relinquishment, multiplied by the percentage of the original nominal amount of the OPS which then remained outstand- ing and divided by the Interest Variable applicable immediately preceding the Involuntary Relinquishment.

(D) The Trust Deed will contain provisions governing the position if any compensation awarded in respect of any Involuntary Relinquishment is in a form other than cash, which will include provisions that the Trustee may agree with the Company that, instead of paying cash to the Unitholders, the Company may distribute to the Unitholders an appropriate amount (to be agreed with the Trustee) of the compen- sation.

(E) (i) If the Unitholders shall become entitled to any payment pursuant to sub-paragraphs (B) or (C) above, or any distribution pursuant to sub-paragraph (D) above having a value, in excess of the outstanding nominal amount of the OPS (or, in the case of partial Involuntary Relinquishment, the Relinquished Percentage of such outstanding nominal amount) and, in either event, the payment or distribution becomes due at a time when any amount of the 14 per cent. Unsecured Loan Stock 1981/83 being issued by the Company contemporaneously with the OPS (hereinafter called "the Loan Stock") is outstanding, the amount of such excess (hereinafter called "the Premium Element") shall only become due upon the earliest of any date when the Company commences winding-up, the date when the Loan Stock ceases to be outstanding and the first Payment Date to occur next after 31st December, 1983.

(ii) The Trust Deed will contain provisions whereby, in the event of the winding-up of the Company, the claims of the Unitholders in respect of the Premium Element will be postponed to the claims of the holders of the Loan Stock.

(iii) Provisions will be included in the Trust Deed whereby (in the event only of LSMO and SCOT becoming members of the same group of companies, and SCOT giving to the Trustee, in a form acceptable to it, an unconditional guarantee of all payments in respect of the OPS and all Further OPS of LSMO) if LSMO so requires the terms of the Trust Deed shall be modified, so that thereafter the provisions of paragraphs (i) and (ii) above shall have effect, in relation to the OPS of LSMO, as though "the Loan Stock" included the £17,500,000 14 per cent. Unse- cured Loan Stock 1981/83 of SCOT now being issued, or any Unsecured Loan Stock (not having a greater nominal amount or a later final maturity date) issued in substitution or exchange therefor by LSMO or any other company in the same group of companies as LSMO. Similar provisions (*mutatis mutandis*) will be included in relation to the OPS of SCOT.

(F) The entitlement of each Unitholder to participate in any Premium Element shall be satisfied by the Company paying such a cash amount in pounds sterling, or distributing assets of such a value, as (when added to any amount of Advance Corporation Tax and any other tax for which the Company is liable to account in connection with, or which is otherwise available as a tax credit in respect of, the pay- ment or distribution in question, and any tax which the Company is required to deduct in making the payment or distribution in question) will cause the aggregate of such cash amounts or value of such distributions due to all the Unitholders (when added to the aggregate of the amounts of Advance Cor- poration Tax and other tax taken into account as aforesaid) to equal the relevant Premium Element, and the provisions of paragraph 2(E) above shall, *mutatis mutandis*, also apply. The aggregate of the cash amount due, or the value of the distribution due, and the amount of Advance Corporation Tax and other tax taken into account as aforesaid shall be the same for each Unit.

(G) Upon the occurrence of any of the events specified in sub-paragraph (B) above or Involuntary Relinquishment of all of the interests of the Qualifying Companies in the Field, all obligations in respect of the OPS (other than those referred to in sub-paragraphs (B) and (C) above and any obligations in respect of the half-yearly payment due pursuant to paragraph 2(A) above in respect of the chargeable period expiring prior to the relevant occurrence) shall forthwith cease, but without prejudice to any payment obligations then outstanding and unpaid.

(H) Upon the occurrence of any partial Involuntary Relinquishment, the Relinquished Percentage of the outstanding nominal amount of each Unit shall be cancelled following the making of the payment referred to in sub-paragraph (C) above (ignoring for this purpose any postponement of the payment of the Premium Element under sub-paragraph (E) above) and the provisions of these Particulars shall con- tinue in full force and effect, but as if all the references to "Interest" (other than the definition thereof contained in paragraph 1 above and the reference thereto in paragraph 2(C) (i)) had been substituted by references to "Reduced Interest" with effect from the first day of the chargeable period during which such event occurred, where "Reduced Interest" means the Interest (as from time to time reduced pursuant to this sub-paragraph (H)) reduced by the Relinquished Percentage.

(I) If Further OPS is issued and is consolidated with the OPS so as to form a single issue therewith, the Supplemental Trust Deed constituting such Further OPS will contain provisions entitling the holder of each unit of such Further OPS to payments equivalent to those payable under this paragraph 11 to the holder of each Unit.

12. MEETINGS OF STOCKHOLDERS

(A) On a poll every Stockholder who is present in person or by proxy shall have one vote for each integral multiple of 10p nominal amount of OPS or Further OPS held by him. At any meeting of Stock- holders the quorum shall be at least two persons holding or representing by proxy not less than one-third in nominal amount of the OPS and Further OPS for the time being outstanding so long as the number of units of the OPS and Further OPS outstanding exceeds 5,000,000, and otherwise a clear majority in nominal amount of the OPS and Further OPS for the time being outstanding. If at a meeting such a quorum is not present and the meeting is adjourned the quorum for the adjourned meeting will be two Stockholders present in person or by proxy whatever the nominal amount of OPS or Further OPS held by them.

(B) The Trust Deed will make provision for separate meetings of the holders of the OPS and any one or more classes of Further OPS should the subject matter of any proposed resolution be considered by the Trustee to give rise to a conflict of interest as between the holders of the OPS and/or the holders of any one or more classes of Further OPS.

13. MODIFICATION

The provisions of the Trust Deed and the rights of the Stockholders will be subject to modification by an Extraordinary Resolution (subject, in the case of the matters described in paragraph 11 (E) above, to the consent of the trustee of the relevant issue or issues of Unsecured Loan Stock therein referred to). In addition, the Trustee may, without any consent of the Stockholders, concur with the Company in making any amendment to the Trust Deed which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest error, is not materially prejudicial to the interests of the Stockholders or which appears to the Trustee necessary or desirable to allow for or to take account of any alteration or adjustment to or development in any technical or practical matter relating directly or indirectly to the development, operation or management of the Field or any Associated Facility.

14. INDEMNIFICATION AND CONSENT OF TRUSTEE

The Trust Deed will contain provisions for the indemnification of the Trustee and its relief from responsibility. Any consent given by the Trustee may be on such terms and conditions, if any, as the Trustee may think fit.

15. TRANSFERS

The OPS will be registered and transferable in Units.

16. ANNUAL REPORT AND ACCOUNTS

The Company shall send to each Stockholder a copy of each annual report and accounts and all other communications sent to its Shareholders at the same time as they are so sent.

APPENDIX VII

PARTICULARS OF THE LOAN STOCKS

This Appendix contains Particulars of the £57,500,000 14 per cent. Unsecured Loan Stock 1981/83 of LSMO ("the LSMO Loan Stock") and of the £17,500,000 14 per cent. Unsecured Loan Stock 1981/83 of SCOT ("the SCOT Loan Stock"). The LSMO Loan Stock was created by a resolution of the Board of Directors of LSMO passed on 29th January, 1976, and the SCOT Loan Stock was created by a resolution of the Board of Directors of SCOT passed on the same day.

The Loan Stocks to be issued by the two companies will constitute separate issues, each company being solely responsible for the payments and other obligations in respect of the Loan Stock created by it (subject in each case to possible guarantees from associated companies as referred to in the Particulars). Nevertheless, since the terms and conditions of the two issues of Loan Stock will be identical in almost every respect, and in view of the intention to merge LSMO and SCOT, the two issues of Loan Stock will be constituted by a single Trust Deed ("the Trust Deed") in favour of General Accident Fire and Life Assurance Corporation Limited ("the Trustee") as Trustee. The provisions of the Trust Deed will bind LSMO only in relation to the LSMO Loan Stock, and SCOT only in relation to the SCOT Loan Stock (except insofar as either company may subsequently become a guarantor in relation to the Loan Stock issued by the other).

The Trust Deed will contain, *inter alia*, provisions to the effect set out in the following paragraphs.

Save where specifically stated, all the provisions referred to below apply separately to the LSMO Loan Stock and to the SCOT Loan Stock. In the Particulars, therefore, in relation to the LSMO Loan Stock "the Company" means LSMO and "the Loan Stock" means the LSMO Loan Stock, and in relation to the SCOT Loan Stock "the Company" means SCOT and "the Loan Stock" means the SCOT Loan Stock; other defined words and phrases may bear correspondingly different meanings in relation to each issue of Loan Stock.

1. DEFINITIONS

In these Particulars, except where the context otherwise requires, the following expressions shall have the following meanings:—

"Associated Facility" means any production platform, pipeline, terminal or other facility (not being a part of the Field) for the time being owned or used by the participants in the Field;

"Block 3/8" means the sea area bounded by lines joining the following co-ordinates on European Datum:
(1) 60° 50'00"N : 1° 24'00"E (2) 60° 50'00"N : 1° 36'00"E
(3) 60° 40'00"N : 1° 36'00"E (4) 60° 40'00"N : 1° 24'00"E;

"borrowings" shall be deemed to include the following (together where applicable with any fixed or minimum premium payable on final repayment) except insofar as otherwise taken into account:—

(a) the nominal amount of any issued share capital and the principal amount of any de- bentures or borrowed moneys, the beneficial interest wherein is not for the time being owned by a member of the Group, of any body whether corporate or unincorporated the payment or repayment whereof is the subject of a guarantee or indemnity by, or is secured by a mortgage or charge on any of the assets of, a member of the Group;

(b) the outstanding amount raised by acceptances by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any member of the Group;

(c) the principal amount of any debenture (whether secured or unsecured) of a member of the Group owned otherwise than by a member of the Group; and

(d) the principal amount of any share capital (not being equity share capital) of any sub- sidiary of the Company owned otherwise than by a member of the Group;

but shall be deemed not to include

(i) borrowings for the purposes of repaying the whole or any part of borrowings by a member of the Group for the time being outstanding and so to be applied within six months of being so borrowed, pending their application for such purpose within such period;

(ii) borrowings for the purpose of financing any contract in respect of which any part of the price receivable by a member of the Group is guaranteed or insured by the Export Credits Guarantee Department of the Department of Trade or by any other Govern- mental department fulfilling a similar function, to an amount not exceeding that part of the price receivable thereunder which is so guaranteed or insured; and

(iii) amounts borrowed or raised which are for the time being deposited with H.M. Customs and Excise or any other body designated by any relevant legislation or order in con- nection with import deposits or any similar governmental scheme to the extent that a member of the Group retains its interest therein;

and in this connection:—

(1) an amount equal to the borrowings of any company becoming a subsidiary of the Company immediately after it becomes such a subsidiary shall at the time it becomes such a subsidiary and for a period of twelve months thereafter, and an amount equal to the borrowings remaining secured on any asset acquired by the Company or any of its subsidiaries immediately after such acquisition shall at the time of such acquisition and for a period of twelve months thereafter, be deducted in calculating the aggregate amount from time to time outstanding of all borrowings by the Group;

(2) when the aggregate amount of borrowings required to be taken into account for the purposes of this definition on any particular day is being ascertained, any of such moneys denominated or repayable in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent at the rate of exchange prevailing on that day in London provided that any of such moneys shall be converted at the rate prevailing in London six months before such day if thereby such aggregate amount would be less;

"the Company"	means LSMO in relation to the LSMO Loan Stock, and SCOT in relation to the SCOT Loan Stock;
"Extraordinary Resolution"	means an Extraordinary Resolution (as defined in the Trust Deed) of the Stockholders;
"the Field"	means the Field in the United Kingdom sector of the North Sea known as the Ninian Field containing a reservoir, in Middle Jurassic sandstone, of petroleum (as defined in Part II of Schedule 2 of the Petroleum and Submarine Pipe-lines Act 1975) underlying part of Block 3/8 and part of the adjacent Block 3/3 and including any reservoir connecting therewith, as such Field may most recently have been delineated in or determined pursuant to the provisions of any of the Field Agreements;
"the Field Agreements"	means the Cost Sharing Agreement relating to the Field dated 25th April, 1975 (as amended) and any unit agreement, unit operating agreement or other agreement for the time being in force and which amends, supplements, replaces or supersedes such Cost Sharing Agreement or which otherwise governs the development or exploitation of the Field or the respective rights of the participants therein;
"the Group"	means the Company and all its subsidiaries for the time being;
"group of companies"	means a company and all companies which are its 75 per cent. subsidiaries (as defined in Section 532 of the Income and Corporation Taxes Act 1970, as the same was in force on 30th January, 1976) for the time being;
"holding company", "subsidiary" and "equity share capital"	shall have the respective meanings ascribed thereto by Section 154 of the Companies Act, 1948;
"Interest"	means the interest (expressed as a percentage) in the Field of the holder of an interest in Block 3/8 equivalent (in the case of the LSMO Loan Stock) to a 23 per cent. interest in Block 3/8 or (in the case of the SCOT Loan Stock) to a 7 per cent. interest in Block 3/8 (as such interest in the Field may be varied from time to time following any redetermination (whether interim or final) under or pursuant to the Field Agreements of the sizes of the respective interests of the various participants in the Field);
"the Licence"	means Petroleum Production Licence number P.199 (as amended by the Petroleum and Submarine Pipe-lines Act 1975) dated 19th August, 1972, granted in respect of Block 3/8 under the provisions of the Petroleum (Production) Act, 1934 and the Continental Shelf Act 1964 and having a commencement date of 15th March, 1972, and any licence or licences relating (in whole or in part) to the whole of the Field or any part thereof as is comprised in Block 3/8 issued in substitution therefor (whether in whole or in part), and any extensions, amendments, variations or renewals of any such licence;
"the Loan Stock"	means the LSMO Loan Stock or the SCOT Loan Stock (as the case may be) or so much of the relevant issue of Loan Stock as for the time being remains outstanding;
"Operator"	means any person or persons appointed for the time being as an operator pursuant to any of the Project Agreements, or any person for the time being fulfilling any of the functions of a person so appointed;
"Project Agreements"	means the Field Agreements and any other agreement or agreements relating to any Associated Facility;
"Qualifying Company"	means the Company, and any other company incorporated in the United Kingdom which for the time being is a member of the same group of companies as the Company and which has given to the Trustee (in a form acceptable to it) an unconditional guarantee of all pay- ments in respect of the Loan Stock.

2. INTEREST

Interest on the Loan Stock will be payable in two equal instalments on 28th February and 31st August in every year at the rate of 14 per cent. per annum, except that the first payment, amounting to £4.8712 (less tax) per £100 nominal of the Loan Stock, will be made on 31st August, 1976 in respect of the period to that date.

3. REPAYMENT AND PURCHASE

(A) The Company will be entitled, upon giving not less than three months' notice in writing, to repay the whole or any part (to be selected by drawings or, at the option of the Company, *pro rata* to holdings) of the Loan Stock at par with accrued interest on or at any time after 1st January, 1981.

(B) Unless previously repaid or purchased, the Loan Stock will be repaid on 31st December, 1983 at par with accrued interest.

(C) The Company and its subsidiaries for the time being may purchase Loan Stock through the market or by tender (available to all Stockholders alike) at any price or by private treaty at a price (inclusive of accrued interest but exclusive of expenses) not exceeding 110 per cent. of the middle market quotation of the Stock as shown by The Stock Exchange Daily Official List for the last business day preceding the date of purchase (or if on such day there shall be no such quotation, at a price not exceeding £110 per cent. inclusive of accrued interest but exclusive of expenses), but not otherwise.

(D) All Loan Stock purchased by the Company or any of its subsidiaries will be cancelled forthwith and the Company and its subsidiaries shall not be entitled to keep the same alive for the purpose of re-issue.

4. ACCELERATED REPAYMENT

(A) For the purposes of this paragraph:

"Unilateral Abandonment"	means voluntary relinquishment by each of the Qualifying Companies of the whole of its interest in the Field otherwise than upon final abandonment of commercial production from the Field pursuant to the Field Agreements or by mutual consent of all the participants in the Field;
"Involuntary Relinquishment"	means the involuntary transfer, disposal, or reduction in the beneficial enjoyment, of any interest in the Field by any Qualifying Company due to any legislation or the action of any government or governmental body or agency, but excluding any such transfer, disposal or reduction which would not cause an alteration in the Aggregate Interest (as defined in paragraph 7(B) below) (Involuntary Relinquishment being described as partial if thereafter a Qualifying Company still retains an interest in the Field); and
"Relinquished Percentage"	means such percentage of the aggregate of the interests of each Qualifying Company in the Field immediately preceding any partial Involuntary Relinquishment as has been involuntarily relinquished by any of the Qualifying Companies in the course thereof.

(B) If Unilateral Abandonment shall occur, the Loan Stock will become repayable at par with accrued interest.

(C) In the event of any Involuntary Relinquishment, the Company will repay to each Stockholder the nominal amount of Loan Stock held by him (multiplied, in the case of a partial Involuntary Relinquish- ment, by the Relinquished Percentage) with accrued interest on the amount of Loan Stock being repaid to the date of repayment.

(D) Following the making of any payment referred to in sub-paragraph (C) above due to any par- tial Involuntary Relinquishment, the provisions of these Particulars shall continue in full force and effect thereafter in relation to the amount of Loan Stock then outstanding (and, in particular, Interest shall continue to be payable at the rate and on the dates specified in paragraph 2 above on any Loan Stock not then repaid).

5. LIMITATION ON BORROWINGS

The Company will procure that the aggregate amount from time to time outstanding of all borrow- ings by the Group (exclusive of borrowings owing by one member of the Group to another member of the Group) shall not at any time, without the previous sanction of an Extraordinary Resolution, exceed (in the case of LSMO) £150,000,000 or (in the case of SCOT) £50,000,000.

continued overleaf

Appendices: continued

6. NEGATIVE PLEDGE

(A) So long as any of the Loan Stock remains outstanding, no Qualifying Company shall create or permit to arise or subsist any mortgage or charge upon the whole or any part of its undertaking or assets, present or future, unless the same shall be approved by an Extraordinary Resolution or unless the same security, or such other security as the Trustee in its absolute discretion shall on each occasion deem reasonably equivalent thereto or as shall be approved by an Extraordinary Resolution, shall previously have been or shall forthwith be extended equally and rateably to the Loan Stock; provided that the foregoing restriction shall not apply to any mortgage or charge insofar as the same applies to the whole or any part of the interest from time to time of any Qualifying Company in the Field and/or the Licence and/or any Associated Facility and is in favour of any Operator, or participant in the Field or any Associated Facility, as security for any sums which may become due to such Operator in its capacity as such or to such participant by virtue of the Project Agreements, nor to any corresponding mortgage or charge arising in the course of any other petroleum development or exploration activity of any Qualifying Company where the Trustee is satisfied that such mortgage or charge is one that could be expected to be given, under general practice then current in respect of activities of that nature, in the normal course of the activity in question.

(B) If

(i) a mortgage or charge of a Qualifying Company which caused security to be extended to the Loan Stock pursuant to sub-paragraph (A) above is released; or

(ii) a Qualifying Company whose mortgage or charge caused security to be extended as aforesaid ceases to be a Qualifying Company,

then, unless a breach of sub-paragraph (A) above would be caused thereby, the Trustee shall (at the request and expense of the Company) release the relevant security which was extended as aforesaid.

(C) No Qualifying Company shall, without the consent of the Trustee, sell, transfer or otherwise dispose of the whole or part (such whole or part being substantial) of its undertaking or (except in the ordinary course of trading) of its assets to a Non-Qualifying Company or effect a substantial investment in a Non-Qualifying Company. For the purposes of this sub-paragraph:

(i) a company shall be regarded as a Non-Qualifying Company if it is not a Qualifying Company but is a subsidiary or a holding company of any Qualifying Company or a subsidiary of any such holding company;

(ii) any sale, transfer or other disposal of the whole or part of the undertaking or assets of a Qualifying Company to a Non-Qualifying Company and any investment by a Qualifying Company in a Non-Qualifying Company shall be regarded as substantial if, by itself or when aggregated with all other such sales, transfers, other disposals and investments by all the Qualifying Companies, it is substantial in relation to the Qualifying Companies taken as a whole;

(iii) the payment of a dividend and the repayment of a loan shall not be deemed to be a disposal of assets;

(iv) a Qualifying Company shall be regarded as effecting an investment when it lends to, subscribes or otherwise acquires share or loan capital of, or guarantees moneys borrowed (as defined in the Trust Deed) by, a Non-Qualifying Company; and

(v) the Trustee (if it is satisfied that its doing so is not materially prejudicial to the interests of the Stockholders) may determine that any transfer, sale, other disposal or investment shall be disregarded.

7. RESTRICTIONS ON TRANSFERS OF INTERESTS IN THE FIELD

(A) So long as any Loan Stock remains outstanding, no Qualifying Company shall, without the sanction of an Extraordinary Resolution, sell, transfer or otherwise dispose of any part or parts of its interest for the time being in the Field (nor shall any Qualifying Company cease to be a Qualifying Company) if, following such disposal or cessation, the Aggregate Interest (as defined in sub-paragraph (B) below) would be less than 90 per cent. of the Interest, provided that the foregoing prohibition shall not apply to Unilateral Abandonment or Involuntary Relinquishment (as defined in paragraph 4(A) above).

(B) For the purposes of sub-paragraph (A) above, "the Aggregate Interest" means the aggregate of the interests of each Qualifying Company in the Field, and for this purpose:

(i) such interests shall be expressed as a percentage of the Field;

(ii) an interest in the Field shall be deemed to include any continuing right to production from the Field, or the proceeds of sale of such production or other financial benefits related to its value;

(iii) in determining the percentage of the Field represented by any interest, regard shall be had to the nature of the interest and the terms under which it is held; and

(iv) any such percentage shall be determined as described in the Trust Deed.

(C) If so requested by the Company, the Trustee will (provided that a breach of sub-paragraph (A) of this paragraph would not be caused thereby) at the expense of the Company release a Qualifying Company from the guarantee of the Loan Stock it has given, whereupon such company shall cease to be a Qualifying Company.

8. OTHER COVENANTS

(A) The Company will covenant, so long as any of the Loan Stock remains outstanding:

(i) to take all reasonable steps to maintain the listing of the Loan Stock on The Stock Exchange;

(ii) to comply with all its obligations under the Licence and the Project Agreements and to use its reasonable endeavours to do such further things and carry out such further actions as may be required to maintain the Licence in full force and effect; and

(iii) that, except with the written consent of the Trustee, there will not be any substantial change in the nature of the businesses carried on by the Group taken as a whole from that carried on by the Company at 30th January, 1976, provided that any extension of the businesses of the Group to cover matters allied or ancillary thereto shall not be treated as a substantial change.

(B) Each Qualifying Company will become bound to observe certain of the obligations of the Company under the Trust Deed. However, no act or omission of a Qualifying Company (other than the Company) will be deemed an event of default giving rise to accelerated repayment of the Loan Stock if, immediately prior to such act or omission, the Company could have required the Trustee to release such Qualifying Company from its guarantee pursuant to paragraph 7(C) above, but such company shall thereafter cease to be a Qualifying Company.

9. FURTHER UNSECURED LOAN STOCK

(A) The Company will reserve the power (subject to paragraph 5 above) to issue further unsecured loan stock on such terms and conditions as it shall think fit. Such loan stock may, if the Trustee consents thereto, be constituted by a Deed or Deeds supplemental to the Trust Deed.

(B) If such further loan stock shall be issued upon terms that it is or is to be identical with the Loan Stock, the Company shall be entitled so to constitute the further loan stock and to consolidate the same with the Loan Stock so as to form a single issue therewith.

10. MODIFICATION

(A) The provisions of the Trust Deed and the rights of the Stockholders will be subject to modification by Extraordinary Resolution. In addition, the Trustee may, without any consent of the Stockholders, concur with the Company in making any modification to the Trust Deed which, in the opinion of the Trustee, will not be materially prejudicial to the interests of the Stockholders.

(B) The Company may, from time to time, require the Trustee, without any consent of the Stockholders, to concur with the Company in modifying the Trust Deed by substituting a higher percentage figure in the definition of "Interest" set out in paragraph 1 above than the figure set out therein prior to the substitution, provided that such modification shall not be effected if, immediately thereafter, the Interest would exceed the Aggregate Interest (as defined in paragraph 7(B) above).

11. MEETINGS OF STOCKHOLDERS

On a poll every Stockholder who is present in person or by proxy shall have one vote for each integral multiple of £1 nominal amount of Loan Stock held by him. At any meeting of Stockholders the quorum shall be at least two persons holding or representing by proxy not less than one-third in nominal amount of the Loan Stock for the time being outstanding so long as the nominal amount of the Loan Stock outstanding exceeds £5,000,000, and otherwise a clear majority in nominal amount of the Loan Stock for the time being outstanding. If at a meeting such a quorum is not present and the meeting is adjourned the quorum for the adjourned meeting will be two Stockholders present in person or by proxy whatever the nominal amount of Loan Stock held by them.

12. INDEMNIFICATION AND CONSENT OF TRUSTEE

The Trust Deed will contain provisions for the indemnification of the Trustee and its relief from responsibility. Any consent given by the Trustee may be on such terms and conditions, if any, as the Trustee may think fit.

13. TRANSFERS

The Loan Stock will be registered and transferable in integral multiples of £1 (or such other amounts as the Trustee may direct following any partial repayment of the Loan Stock).

APPENDIX VIII

STATUTORY AND GENERAL INFORMATION

1. Share and Loan Capital and Subsidiaries

(a) LSMO

(i) *The Company*

LSMO was incorporated in England as a private company on 23rd April, 1971 pursuant to the Companies Acts 1948 to 1967. On incorporation, LSMO had an authorised share capital of £5,000 divided into 5,000 shares of £1 each which was increased on 28th January, 1972 to £1,700,000 by the creation of further shares of £1 each. Prior to 21st November, 1974, the whole of the authorised share capital had been issued and was fully paid.

On 21st November, 1974, the authorised share capital was further increased to £7,500,000 by the creation of further shares of £1 each. In December 1974 and January 1975, a total of 2,400,000 shares of £1 each was issued to existing shareholders for cash at par on which 15p per share was paid on acceptance. These shares are now fully paid. Cazenove & Co. were paid a fee (exclusive of VAT) of ½ per cent. of the nominal amount of such shares in respect of their services in connection with such issue.

On 8th May, 1975, LSMO issued £9,700,000 Floating Rate Unsecured Loan Stock 1975 at par, on which £30 per cent. was then paid in cash and which is now fully paid. A fee of £10,000 (exclusive of VAT) was paid to Cazenove & Co. in connection with the placing of this Stock. The final repayment date of this Stock and of the Stock mentioned in paragraph (ii) below was originally 31st December, 1975 but, by an Extraordinary Resolution of Stockholders passed on 23rd December, 1975, the final repayment date was postponed to 31st March, 1976 and all the Stock was re-denominated Floating Rate Unsecured Loan Stock 1976. Notice has been given to Stockholders that LSMO intends to repay the Floating Rate Unsecured Loan Stock in February 1976.

On 30th January, 1976, LSMO was converted into a public company and adopted new Articles of Association.

(ii) *Acquisition of subsidiaries*

During 1975, LSMO acquired certain North Sea interests of Cawoods and NCC; these interests (together with a total holding of 100,000 shares of $1 par value of EMO) were held in wholly-owned subsidiaries and the acquisitions thereof took the form of LSMO acquiring the share capital of the relevant subsidiaries of Cawoods and NCC, being William Reay & Company, Limited ("Reay") and Natural Resources Limited ("Resources") respectively. At the time of the acquisitions, the only assets of the subsidiaries were the relevant interests and the above-mentioned shareholding and neither of them carried on any business other than North Sea oil development and production. The North Sea interests of Reay and Resources have now been transferred to LSMO, and LSMO's two subsidiaries are not trading.

In connection with the acquisitions:—

(1) on 31st July, 1975, LSMO issued to Cawoods for cash at par 304,202 shares, fully paid, and 608,403 shares, 30p paid, and on the same day also issued to Cawoods or its nominee 21,659 shares, credited as fully paid, and 163,377 shares, credited as 30p paid. On that day, Cawoods also subscribed in cash at par for £725,760 Floating Rate Unsecured Loan Stock 1975, fully paid, and £1,158,340 Floating Rate Unsecured Loan Stock 1975, £19 per cent. paid;

(2) on 4th August, 1975, LSMO issued to NCC or its nominee 335,890 shares, credited as fully paid, and 771,700 shares, credited as 30p paid, and on the same day NCC subscribed in cash at par for £725,505 Floating Rate Unsecured Loan Stock 1975, fully paid;

(3) on 4th August, 1975, LSMO issued for cash at par £1,158,594 Floating Rate Unsecured Loan Stock 1975, £19 per cent. paid. Cazenove & Co. were paid a fee of £2,896 (exclusive of VAT) in connection with the placing of this Stock, and a commitment fee of 5 per cent. of the nominal amount of the Stock was also paid to the subscribers thereof.

The partly paid shares and the partly paid Loan Stock mentioned in paragraphs (1), (2) and (3) above are now fully paid.

(iii) *Subsidiaries of LSMO*

Reay is a private company which was incorporated in England on 13th November, 1919 pursuant to the Companies Acts 1908 to 1917. On 29th July, 1975, the authorised share capital of Reay was increased to £100,000 by the creation of 90,000 Ordinary Shares of £1 each. Reay issued 80,087 Ordinary Shares of £1 each for cash at par on 31st July, 1975, and the whole of the issued share capital of Reay, being 90,087 Ordinary Shares of £1 each, is beneficially owned by LSMO.

Resources is a private company which was incorporated in England on 29th January, 1975 pursuant to the Companies Acts 1948 to 1967. On 24th June, 1975, the authorised share capital of Resources was increased to £1,500,000 by the creation of 1,499,900 Ordinary Shares of £1 each. On 4th August, 1975, Resources issued 476,765 Ordinary Shares of £1 each for a total cash consideration of £466,848 and 90,038 Ordinary Shares of £1 each for cash at par. The whole of the issued share capital of Resources, being 566,903 Ordinary Shares of £1 each, is beneficially owned by LSMO.

(b) SCOT

SCOT was incorporated in England as a private company on 15th January, 1970 pursuant to the Companies Acts 1948 to 1967. On incorporation, SCOT had an authorised share capital of £5,000 divided into 5,000 shares of £1 each, which was increased on 9th July, 1970 to £600,000 by the creation of further shares of £1 each, and again on 22nd December, 1970 to £1,800,000 by the creation of further shares of £1 each. Prior to 21st November, 1974, the whole of the authorised share capital had been issued and was fully paid.

On 21st November, 1974, the authorised share capital was further increased to £7,500,000 by the creation of further shares of £1 each. In December 1974, a total of 3,600,000 shares of £1 each was issued to existing shareholders for cash at par on which 20p per share was paid on acceptance. These shares are now fully paid. Cazenove & Co. were paid a fee (exclusive of VAT) of ½ per cent. of the nominal amount of such shares in respect of their services in connection with such issue.

On 8th May, 1975, SCOT issued £3,700,000 Floating Rate Unsecured Loan Stock 1975 at par, on which £30 per cent. was paid in cash and which is now fully paid. A fee of £5,000 (exclusive of VAT) was paid to Cazenove & Co. in connection with the placing of this Stock. The final repayment date of this Stock was originally 31st December, 1975 but, by an Extraordinary Resolution of Stockholders passed on 23rd December, 1975, the final repayment date was postponed to 31st March, 1976 and all the Stock was re-denominated Floating Rate Unsecured Loan Stock 1976. Notice has been given to Stockholders that SCOT intends to repay the Floating Rate Unsecured Loan Stock in February 1976.

On 30th January, 1976, SCOT was converted into a public company and adopted new Articles of Association.

SCOT has no subsidiaries.

2. Disclosure of Interests

(a) LSMO

The following are the interests of the Directors, Alternate Directors and their families in the issued share and loan capital of LSMO:—

Name	*Shares of £1 each*
M. J. K. Belmont	7,350
P. J. Smith	2,100

Mr. M. J. K. Belmont and Mr. P. J. Smith are partners of Cazenove & Co., brokers to LSMO, who have received fees in respect of general financial advice and who are receiving a fee in connection with the present LSMO issues. Other partners of Cazenove & Co. and some partners of R. C. Greig & Co., who are also brokers to LSMO, own shares in LSMO.

Mr. E. Binks and Mr. O. F. G. Stroud are directors and shareholders of Cawoods and NCC respectively.

Cawoods and NCC each own 1,157,670 shares of LSMO, each holding representing 15.61 per cent. of LSMO's issued share capital. In addition, Cawoods owns £1,884,100 Floating Rate Unsecured Loan Stock 1976 of LSMO. General Accident Fire and Life Assurance Corporation Limited owns £1,248,908 Floating Rate Unsecured Loan Stock 1976 of LSMO. The Directors are not aware of any other holdings of 10 per cent. or more of LSMO's issued share or loan capital.

Commercial Union Assurance Company Limited owns 272,676 shares of LSMO and £767,000 Floating Rate Unsecured Loan Stock 1976 of LSMO. General Accident Fire and Life Assurance Corporation Limited owns 300,000 shares of LSMO.

Neither DeGolyer and MacNaughton nor Ranger has any interest in the share or loan capital of LSMO.

(b) SCOT

The following are the interests of the Directors, Alternate Directors and their families in the issued share and loan capital of SCOT:—

Name	*Shares of £1 each*
M. J. K. Belmont	6,708
P. J. Smith	1,917

Mr. M. J. K. Belmont and Mr. P. J. Smith are partners of Cazenove & Co., brokers to SCOT, who have received fees in respect of general financial advice and who are receiving a fee in connection with the present SCOT issues. Other partners of Cazenove & Co. and some partners of R. C. Greig & Co., who are also brokers to SCOT, own shares in SCOT.

General Accident Fire and Life Assurance Corporation Limited owns £639,300 Floating Rate Unsecured Loan Stock 1976 of SCOT. The Directors are not aware of any holdings of 10 per cent. or more of SCOT's issued share capital or any other holdings of 10 per cent. or more of SCOT's issued loan capital. General Accident Fire and Life Assurance Corporation Limited owns 479,127 shares of SCOT.

Neither DeGolyer and MacNaughton nor Ranger has any interest in the share or loan capital of SCOT.

3. Articles of Association

The Articles of Association of LSMO and SCOT contain provisions (*inter alia*) to the following effect:—

(i) The Board of Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries with a view to securing (but as regards subsidiaries only in so far as by the exercise of such rights or powers of control the Board can secure) that the aggregate amount from time to time outstanding of all borrowings (as such expression is defined for the purpose in the Articles) by the Company and its subsidiaries (exclusive of borrowings owing by the Company to any such subsidiary or by any subsidiary to another such subsidiary or to the Company) shall not at any time without the previous sanction of an ordinary resolution of the Company exceed £150,000,000 in the case of LSMO and £50,000,000 in the case of SCOT.

(ii) Where arrangements are under consideration concerning the appointment (including the arrangement or variation of the terms thereof, or the termination thereof) of two or more Directors to offices or places of profit with the Company or any other company in which the Company is interested, a separate resolution may be put in relation to each Director and in such case each of the Directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment and except (in the case of an office or place of profit with any such other company as aforesaid) where the other company is a company in which the Director owns 1 per cent. or more (as such expression is defined for the purpose in the Articles).

(iii) Save as otherwise provided in the Articles, a Director shall not vote (nor be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement in which he is to his knowledge materially interested, and if he shall do so his vote shall not be counted, but this prohibition shall not apply to any of the following matters namely:—

(a) any contract or arrangement for giving to such Director any security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Company or any of its subsidiaries;

(b) any contract or arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company or any of its subsidiaries which the Director has himself guaranteed or secured in whole or in part;

(c) any contract or arrangement by a Director to subscribe for shares, debentures or other securities of the Company issued or to be issued pursuant to any offer or invitation to Members or debenture holders of the Company or any class thereof or to the public or any section thereof, or to underwrite any shares, debentures or other securities of the Company;

(d) any contract or arrangement in which he is interested by virtue of his interest in shares or debentures or other securities of the Company or by reason of any other interest in or through the Company;

(e) any contract or arrangement concerning any other company (not being a company in which the Director owns 1 per cent. or more (as such expression is defined as aforesaid)) in which he is interested directly or indirectly whether as an officer, shareholder, creditor or otherwise howsoever;

(f) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement, death or disability benefits scheme which relates both to Directors and employees and does not accord to any Director as such any privilege or advantage not generally accorded to the employees to which such scheme or fund relates; and

(g) any arrangement for the benefit of employees under which the Director benefits in a similar manner as the employees.

(iv) Where a company in which a Director holds 1 per cent. or more (as such expression is defined as aforesaid) is materially interested in a transaction, then that Director shall also be deemed materially interested in such transaction.

(v) The Company may by ordinary resolution suspend or relax the provisions of paragraphs (ii), (iii) and (iv) above to any extent or ratify any transaction not duly authorised by reason of a contravention of such paragraphs.

The provisions of Section 185 of the Companies Act 1948 apply to the Directors of the Company.

4. Premises

LSMO, SCOT and Star Offshore Services Limited, of which Mr. G. W. Searle is the Chairman, jointly occupy office premises at 16 Hanover Square, London W.1. The present annual cost to LSMO and SCOT is £7,000 each. Neither LSMO nor SCOT has a lease.

5. Material contracts

The following contracts, which are or may be material, have been entered into by LSMO or SCOT otherwise than in the ordinary course of business within the period of two years immediately preceding the date of this document:—

(1) Agreement dated 15th July, 1975, between Cawoods Holdings Limited and LSMO, relating to the acquisition by LSMO of the whole of the issued share capital of William Reay & Company, Limited.

(2) Agreement dated 15th July, 1975, between National Carbonising Company, Limited and LSMO, relating to the acquisition by LSMO of the whole of the issued share capital of Natural Resources Limited.

(3) Agreement dated 29th January, 1976, between LSMO and Morgan Grenfell & Co. Limited ("Morgan Grenfell"), under which (subject to the OPS and the Loan Stock of LSMO being admitted to the Official List not later than 10th February, 1976) Morgan Grenfell has agreed to underwrite the issue of 6,750,000 Units of 10p each of OPS and the £67,500,000 14 per cent. Unsecured Loan Stock 1981/83 of LSMO, for which purpose it has agreed (i) to procure firm applications from sub-underwriters for 3,830,000 Units of OPS and £38,300,000 Loan Stock and (ii) to apply or procure applications for any amounts of Units of OPS and Loan Stock not otherwise applied for, with power to make or procure applications in excess of such amounts. Morgan Grenfell will receive a commission of 2 per cent. on the total subscription price for the issues and will also receive a fee of £383,000 from LSMO in respect of advice in connection with the issues. Out of such commission and fee, Morgan Grenfell will pay a sub-underwriting commission of 1¼ per cent., a fee to Cazenove & Co. and R. C. Greig & Co., the brokers to the issues, and its own legal expenses.

(4) Agreement dated 29th January, 1976, between SCOT and Morgan Grenfell, under which (subject to the OPS and the Loan Stock of SCOT being admitted to the Official List not later than 10th February, 1976) Morgan Grenfell has agreed to underwrite the issue of 1,750,000 Units of 10p each of OPS and the £17,500,000 14 per cent. Unsecured Loan Stock 1981/83 of SCOT, for which purpose it has agreed (i) to procure firm applications from sub-underwriters for 1,160,000 Units of OPS and £11,600,000 Loan Stock and (ii) to apply or procure applications for any amounts of Units of OPS and Loan Stock not otherwise applied for, with power to make or procure applications in excess of such amounts. Morgan Grenfell will receive a commission of 2 per cent. on the total subscription price for the issues and will also receive a fee of £117,000 from SCOT in respect of advice in connection with the issues. Out of such commission and fee, Morgan Grenfell will pay a sub-underwriting commission of 1¼ per cent., a fee to Cazenove & Co. and R. C. Greig & Co., the brokers to the issues, and its own legal expenses.

6. General

(a) The Directors of LSMO believe that LSMO is not a close company and the Directors of SCOT believe that SCOT is not a close company, as defined in the Income and Corporation Taxes Act 1970 (as amended).

(b) Neither LSMO nor either of its subsidiaries nor SCOT has any unissued share or loan capital under option or agreed conditionally or unconditionally to be put under option.

(c) Save as mentioned herein:—

(i) within the two years before the publication of this document, no share or loan capital either of LSMO or either of its subsidiaries or of SCOT has been issued, either for cash or otherwise;

(ii) during that period, no commissions, discounts, brokerages or other special terms have been granted either by LSMO or either of its subsidiaries or by SCOT in connection with the issue or sale of any part of their respective share or loan capitals; and

(iii) no unissued share or loan capital either of LSMO or either of its subsidiaries or of SCOT has been agreed to be issued or is now proposed to be issued, either for cash or otherwise.

(d) So far as the Directors of LSMO are aware, there is no material litigation nor are there any claims of material importance pending or threatened against LSMO or either of its subsidiaries. So far as the Directors of SCOT are aware, there is no material litigation nor are there any claims of material importance pending or threatened against SCOT.

(e) No Director of LSMO has any service contract with LSMO or any of its subsidiaries, and no Director of SCOT has any service contract with SCOT, which is not terminable by the employer within one year or less without payment of compensation except for statutory compensation.

(f) Save as mentioned herein, no Director of LSMO has any interest, direct or indirect, in any assets which have been within the past two years acquired or disposed of by, or leased to, LSMO or either of its subsidiaries, and no Director of SCOT has any interest, direct or indirect, in any assets which have been within the past two years acquired or disposed of by, or leased to, SCOT.

(g) Save as mentioned herein, no Director of LSMO has any interest, direct or indirect, in any contract or arrangement subsisting at the date of this document which is significant in relation to the businesses of LSMO and its subsidiaries taken as a whole; and no Director of SCOT has any interest, direct or indirect, in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of SCOT.

7. Consents and Documents for Inspection

(a) DeGolyer and MacNaughton, Whinney Murray & Co. and Arthur Young McClelland Moores & Co. have given and have not withdrawn their respective written consents to the issue of this document with the inclusion herein of their respective reports and references to them in the form and context in which they are respectively included.

(b) These consents, a statement setting out the adjustments made by Whinney Murray & Co. in arriving at the figures shown in their report and giving the reasons therefor, and copies of the contracts listed in paragraph 5 of this Appendix, were attached to the copies of this document delivered to the Registrar of Companies for registration.

(c) The Department of Energy has given and has not withdrawn its written consent to the issue within this document of its letters in the form and context in which they are included.

(d) Copies of the following documents may be inspected at the offices of Morgan Grenfell & Co. Limited, New Issue Department, 4 Throgmorton Avenue, London EC2P 2NB and of James Finlay & Co. Limited, Hellenic House, 87/97 Bath Street, Glasgow G2 2EZ during usual business hours on any weekday (Saturdays excepted) during the 14 days following the publication of this document:—

(i) the Memoranda and Articles of Association of LSMO and of SCOT;

(ii) the contracts listed in paragraph 5 of this Appendix;

(iii) the audited accounts of LSMO for the years ended 31st December, 1973 and 31st December, 1974 and the interim audited accounts of LSMO and its subsidiaries for the period from 1st January, 1975 to 31st August, 1975;

(iv) the audited accounts of SCOT for the years ended 31st December, 1973 and 31st December, 1974 and the interim audited accounts for the period from 1st January, 1975 to 31st August, 1975;

(v) the reports of DeGolyer and MacNaughton, Whinney Murray & Co. and Arthur Young McClelland Moores & Co., and the statement of adjustments by Whinney Murray & Co., referred to above;

(vi) the consents mentioned in sub-paragraphs (a) and (c) above;

(vii) the Licences referred to above in which LSMO and SCOT are participants;

(viii) the agreements with Ranger referred to in paragraphs 5 and 13 of this document; and

(ix) proofs, subject to modification, of the Trust Deeds constituting the OPS and the Loan Stocks.

Copies of this document may be obtained from:—

Morgan Grenfell & Co. Limited, New Issue Department, 4 Throgmorton Avenue, London EC2P 2NB

Cazenove & Co., 12 Tokenhouse Yard, London EC2R 7AN

R. C. Greig & Co., 139 St. Vincent Street, Glasgow G2 5JP

James Finlay & Co. Limited, Hellenic House, 87/97 Bath Street, Glasgow G2 2EZ

Williams & Glyn's Registrars Limited, 16 Old Broad Street, London EC2N 1DL

The Royal Bank of Scotland Limited, 62 Lombard Street, London EC3P 3DE

The Royal Bank of Scotland Limited, Registrar Department, PO Box 27, 31 St. Andrew Square, Edinburgh EH2 2AB

The Royal Bank of Scotland Limited, PO Box 90, 150 Union Street, Aberdeen AB9 8DU

and from the following branches of Williams & Glyn's Bank Limited:—

20 Birchin Lane, London EC3P 3DP
67 Lombard Street, London EC3P 3DL
Kirkland House, Whitehall, London SW1A 2EB
171 Tottenham Court Road, London W1P 0DL
38 Mosley Street, Manchester M60 2BE
Newater House, 9 Newhall Street, Birmingham B3 3PG
106 St. Mary Street, Cardiff CF1 1LR
36/38 Baldwin Street, Bristol BS1 1NR
31 Grey Street, Newcastle-upon-Tyne NE1 6ES
2/8 James Street, Liverpool L2 7PH
30 East Parade, Leeds LS1 5PS

London & Scottish Marine Oil Company Limited

Procedure for Application

Applications for the Loan Stock and OPS of LSMO, which must be made on the separate Application Forms provided, can be made only on the terms and conditions set out below and must be sent to:—

Williams & Glyn's Bank Limited,
16 Old Broad Street,
London EC2N 1DL

and should arrive not later than 10 a.m. on 5th February, 1976. Applicants are advised to allow two full days for delivery through the post and to use first class mail.

1. APPLICATIONS FOR THE LOAN STOCK—Application Form A

Applications for up to and including £1,000 Loan Stock must be in multiples of £100; for more than £1,000 Loan Stock up to and including £5,000 Loan Stock must be in multiples of £500; and for amounts of more than £5,000 Loan Stock must be in multiples of £1,000.

Each application must be accompanied by a **separate remittance** for the full amount payable on application, namely £50 per cent. Cheques must be drawn on a bank or branch thereof in England, Scotland or Wales and must be payable to "Williams & Glyn's Bank Limited" and crossed "Not Negotiable".

Payment of the final instalment of £50 per cent. on the Loan Stock may be made at any time before 16th July, 1976, but no discount or interest will be allowed on such prepayment. Failure to pay the final instalment on or before its due date will render the amount paid on application liable to forfeiture and the allotment liable to cancellation. Interest at the rate of 18 per cent. per annum may be charged on the final instalment on the Loan Stock if accepted after its due date.

Under the underwriting arrangements, certain sub-underwriters between them have undertaken to make firm applications for a total of £38,300,000 Loan Stock.

2. APPLICATIONS FOR OPS—Application Form B

Applications can be made for any number of Units of 10p each of OPS.

The Directors will give preference to successful applicants for Loan Stock; allotting Units of OPS up to a maximum of 10 Units for every £100 of Loan Stock allotted. Any allotment of Units above this level will be entirely at the Directors' discretion.

Each application must be accompanied by a **separate remittance** for the full amount payable on application, namely 10p for each Unit of OPS. Cheques must be drawn on a bank or branch thereof in England, Scotland or Wales and must be payable to "Williams & Glyn's Bank Limited" and crossed "Not Negotiable".

Under the underwriting arrangements, certain sub-underwriters between them have undertaken to make firm applications for a total of 3,830,000 Units of OPS.

3. GENERAL TERMS AND CONDITIONS FOR APPLICATIONS

Separate applications must be made for Loan Stock and OPS.

Each application must be accompanied by a **separate remittance** for the amount payable on application and must be on the basis set out above.

LSMO reserves the right:—

(i) to present all cheques for payment and to retain Letters of Allotment and surplus application moneys pending clearance of applicants' cheques; and

(ii) to reject any application (and in particular multiple or suspected multiple applications) or to accept any application in part only.

If any application is not accepted, or if no allotment is made, the amount paid on application will be returned by cheque sent by post at the risk of the applicant; if any application is accepted for a lesser amount of Loan Stock or OPS than the amount applied for, the balance of the amount paid on application will be so returned.

Separate Letters of Allotment in respect of the OPS and in respect of the Loan Stock will be posted on 10th February, 1976 and will be renounceable until 30th July, 1976. After that date they will not be accepted for registration of renunciation and the Loan Stock and OPS will be registered in the name(s) of the original allottee(s) and thereafter will be transferable only by transfers subject to stamp duty. Definitive certificates will be despatched on 27th August, 1976.

Acceptances of applications (including firm applications) will be conditional upon the Council of The Stock Exchange admitting the Loan Stock and OPS of LSMO to the Official List on or before 10th February, 1976. Moneys paid in respect of applications will be returned if the listings of the Loan Stock and OPS of LSMO are not granted on or before that date and, in the meantime, will be retained in separate accounts.

Brokerage of 25p per £100 nominal of the Loan Stock will be allowed to recognised bankers and stockbrokers on allotments made in respect of applications bearing their stamp and VAT registration number if applicable. This brokerage will not, however, be paid in respect of an application (including a firm application) which arises out of a sub-underwriting commitment or where the banker or stockbroker would be entitled to receive in brokerage a total of less than £1.

SCOT Scottish Canadian Oil & Transportation Company Limited

Procedure for Application

Applications for the Loan Stock and OPS of SCOT, which must be made on the separate Application Forms provided, can be made only on the terms and conditions set out below and must be sent to:—

Williams & Glyn's Bank Limited,
16 Old Broad Street,
London EC2N 1DL

and should arrive not later than 10 a.m. on 5th February, 1976. Applicants are advised to allow two full days for delivery through the post and to use first class mail.

1. APPLICATIONS FOR THE LOAN STOCK—Application Form C

Applications for up to and including £1,000 Loan Stock must be in multiples of £100; for more than £1,000 Loan Stock up to and including £5,000 Loan Stock must be in multiples of £500; and for amounts of more than £5,000 Loan Stock must be in multiples of £1,000.

Each application must be accompanied by a **separate remittance** for the full amount payable on application, namely £50 per cent. Cheques must be drawn on a bank or branch thereof in England, Scotland or Wales and must be payable to "Williams & Glyn's Bank Limited" and crossed "Not Negotiable".

Payment of the final instalment of £50 per cent. on the Loan Stock may be made at any time before 16th July, 1976, but no discount or interest will be allowed on such prepayment. Failure to pay the final instalment on or before its due date will render the amount paid on application liable to forfeiture and the allotment liable to cancellation. Interest at the rate of 16 per cent. per annum may be charged on the final instalment on the Loan Stock if accepted after its due date.

Under the underwriting arrangements, certain sub-underwriters between them have undertaken to make firm applications for a total of £11,600,000 Loan Stock.

2. APPLICATIONS FOR OPS—Application Form D

Applications can be made for any number of Units of 10p each of OPS.

The Directors will give preference to successful applicants for Loan Stock; allotting Units of OPS up to a maximum of 10 Units for every £100 of Loan Stock allotted. Any allotment of Units above this level will be entirely at the Directors' discretion.

Each application must be accompanied by a **separate remittance** for the full amount payable on application, namely 10p for each Unit of OPS. Cheques must be drawn on a bank or branch thereof in England, Scotland or Wales and must be payable to "Williams & Glyn's Bank Limited" and crossed "Not Negotiable".

Under the underwriting arrangements, certain sub-underwriters between them have undertaken to make firm applications for a total of 1,160,000 Units of OPS.

3. GENERAL TERMS AND CONDITIONS FOR APPLICATIONS

Separate applications must be made for Loan Stock and OPS.

Each application must be accompanied by a **separate remittance** for the amount payable on application and must be on the basis set out above.

SCOT reserves the right:—

(i) to present all cheques for payment and to retain Letters of Allotment and surplus application moneys pending clearance of applicants' cheques; and

(ii) to reject any application (and in particular multiple or suspected multiple applications) or to accept any application in part only.

If any application is not accepted, or if no allotment is made, the amount paid on application will be returned by cheque sent by post at the risk of the applicant; if any application is accepted for a lesser amount of Loan Stock or OPS than the amount applied for, the balance of the amount paid on application will be so returned.

Separate Letters of Allotment in respect of the OPS and in respect of the Loan Stock will be posted on 10th February, 1976 and will be renounceable until 30th July, 1976. After that date they will not be accepted for registration of renunciation and the Loan Stock and OPS will be registered in the name(s) of the original allottee(s) and thereafter will be transferable only by transfers subject to stamp duty. Definitive certificates will be despatched on 27th August, 1976.

Acceptances of applications (including firm applications) will be conditional upon the Council of The Stock Exchange admitting the Loan Stock and OPS of SCOT to the Official List on or before 10th February, 1976. Moneys paid in respect of applications will be returned if the listings of the Loan Stock and OPS of SCOT are not granted on or before that date and, in the meantime, will be retained in separate accounts.

Brokerage of 25p per £100 nominal of the Loan Stock will be allowed to recognised bankers and stockbrokers on allotments made in respect of applications bearing their stamp and VAT registration number if applicable. This brokerage will not, however, be paid in respect of an application (including a firm application) which arises out of a sub-underwriting commitment or where the banker or stockbroker would be entitled to receive in brokerage a total of less than £1.

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APPLICATION FORM—B

B
LSMO
OPS

The application list will open at 10 a.m. on Thursday, 5th February, 1976 and may be closed at any time thereafter. This form should be completed and lodged with Williams & Glyn's Bank Limited, 16 Old Broad Street, London EC2N 1DL, together with a SEPARATE REMITTANCE for the full amount payable on application, namely 10p per Unit.

London & Scottish Marine Oil Company Limited

(Incorporated in England under the Companies Acts 1948 to 1967; Registered Number 1008965)

ISSUE OF
5,750,000 UNITS of 10p each of OIL PRODUCTION STOCK at a price of 10p per UNIT, payable in full on application

To the Directors of:
LONDON & SCOTTISH MARINE OIL COMPANY LIMITED ("LSMO").
Gentlemen,

Number of Units for which application is made★	*Amount of cheque enclosed at 10p per Unit*
	£

★**Applications may be for any number of Units.**

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APPLICATION FORM—A

A
LSMO
LOAN
STOCK

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London & Scottish Marine Oil Company Limited

(Incorporated in England under the Companies Acts 1948 to 1967; Registered Number 1008965)

ISSUE OF
£57,500,000 14 per cent. Unsecured Loan Stock 1981/83 at par payable as follows:—

On application .... £50 per cent.
On or before 16th July, 1976............ £50 per cent.
£100 per cent.

For Banker or Stockbroker claiming brokerage
Stamp
VAT Reg. No. *(If not registered put "None")*

To the Directors of:
LONDON & SCOTTISH MARINE OIL COMPANY LIMITED ("LSMO").
Gentlemen,

Amount of Loan Stock for which application is made★	*Amount of cheque enclosed at £50 per cent.*
£	£

★**Applications must be made for a minimum amount of £100 Loan Stock or for multiples thereof up to £1,000 Loan Stock applied for. Applications for more than £1,000 Loan Stock up to £5,000 Loan Stock must be in multiples of £500, and for amounts of more than £5,000 Loan Stock must be in multiples of £1,000.**

I/We enclose a cheque for the above-mentioned sum being the amount payable on application for the above-mentioned nominal amount of the 14 per cent. Unsecured Loan Stock 1981/83 ("the Loan Stock") of LSMO, and I/we hereby apply for and request you to allot to me/us that amount of the said Loan Stock and I/we hereby agree to accept the same or any lesser amount that may be allotted to me/us and to pay the balance due thereon in accordance with the terms of the Prospectus dated 30th January, 1976 and subject to the Trust Deed by which the said Loan Stock will be constituted. I/We warrant that the cheque attached hereto will be paid on first presentation.

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APPLICATION FORM—D

D
SCOT
OPS

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SCOT Scottish Canadian Oil & Transportation Company Limited

(Incorporated in England under the Companies Acts 1948 to 1967; Registered Number 970280)

ISSUE OF
1,750,000 UNITS of 10p each of OIL PRODUCTION STOCK at a price of 10p per UNIT, payable in full on application

To the Directors of:
SCOTTISH CANADIAN OIL & TRANSPORTATION COMPANY LIMITED ("SCOT").
Gentlemen,

Number of Units for which application is made★	*Amount of cheque enclosed at 10p per Unit*
	£

★**Applications may be for any number of Units.**

The Directors will give preference to successful applicants for Loan Stock in allotting Units of Oil Production Stock ("OPS") of SCOT up to a maximum of 10 Units for every £100 of Loan Stock allotted. Any allotment of Units above this level will be entirely at the Directors' discretion.

I/We enclose a cheque for the above-mentioned sum being the full amount payable on application for the above-mentioned number of Units of OPS of SCOT, and I/we hereby apply for and request you to allot to me/us that number of the said Units and I/we hereby agree to accept the same or any lesser number of Units that may be allotted to me/us in accordance with the terms of the Prospectus dated 30th January, 1976 and subject to the Trust Deed by which the said Units will be constituted. I/We warrant that the cheque attached hereto will be paid on first presentation.

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APPLICATION FORM—C

C
SCOT
LOAN
STOCK

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(Incorporated in England under the Companies Acts 1948 to 1967; Registered Number 970280)

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£17,500,000 14 per cent. Unsecured Loan Stock 1981/83 at par payable as follows:—

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On or before 16th July, 1976............ £50 per cent.
£100 per cent.

For Banker or Stockbroker claiming brokerage
Stamp
VAT Reg. No. *(If not registered put "None")*

To the Directors of:
SCOTTISH CANADIAN OIL & TRANSPORTATION COMPANY LIMITED ("SCOT").
Gentlemen,

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£	£

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ENTERTAINMENTS

When telephoning use prefix 01 only outside London Metropolitan Area.

OPERA AND BALLET

CONCERTS

THEATRES

CINEMAS

EXHIBITIONS

ART EXHIBITIONS

THE ARTS

Crowded half hour of glorious life

England, Summer, Sunday
BBC 2

Stanley Reynolds

It takes a talent of near Chekhovian proportions to produce anything out of a typical English Sunday, even in a heat wave. When the production is, like Saturday's BBC *Centre Play*, an economically-minded effort with painted sets and dressmaker's dummies standing in for the British Army, and only 30 minutes to boot, the task is formidable. But Chris Thomson, who both wrote and directed *England, Summer, Sunday*, managed to deliver a highly thought-provoking work. Robert Urquhart, Renee Goddard, and Will Knightley played a world-weary, aging, crusading left-wing journalist, a coping, rose-pruning Surrey housewife, and a rebellious, radical, cause-minded son, respectively.

The son had called in unexpectedly for lunch and found his father wearily trying to type his weekly column of pungent political thought in the heat of the summer garden. Actually he was writing it on a highly stylized set. This was a complete studio job. The father was trying to write about the war being over for 30 years and the hopes which had been born then but had since died. When the father's mind flashed back to the war, the rags he stood in as a private were composed of dressmaker's dummies. After lunch Renee Goddard pruned and Urquhart and Knightley snoozed and argued, with the son at last in the darkening evening touching his father for money for his current good cause.

There was a marvellous moment when the father realized that the son did not want him to write about the cause or even carry a banner, but merely to give money. This was followed by an even grander moment when the son has departed and the dad, a true professional, tears up the hackneyed column he has been labouring over and, in the dark garden, rapidly and joyously types: "Today I refused to contribute to a good cause. I have a degree in good causes. All my life I have fought for the good causes."

Had the play ended here it would simply have been a comedy. What gave it true weight was the end scene in which we see the father promoted to an officer, talking about the salute being purely a greeting between comrades and then getting a stiff by-the-numbers salute from his sergeant (Charles Pemberton). The pose of the battered, left-wing campaigner was stripped. The crusading left-wing journalist had sold out then, when he accepted a commission: the world-weary cynicism of 30 years on had been planted at that moment of betrayal.

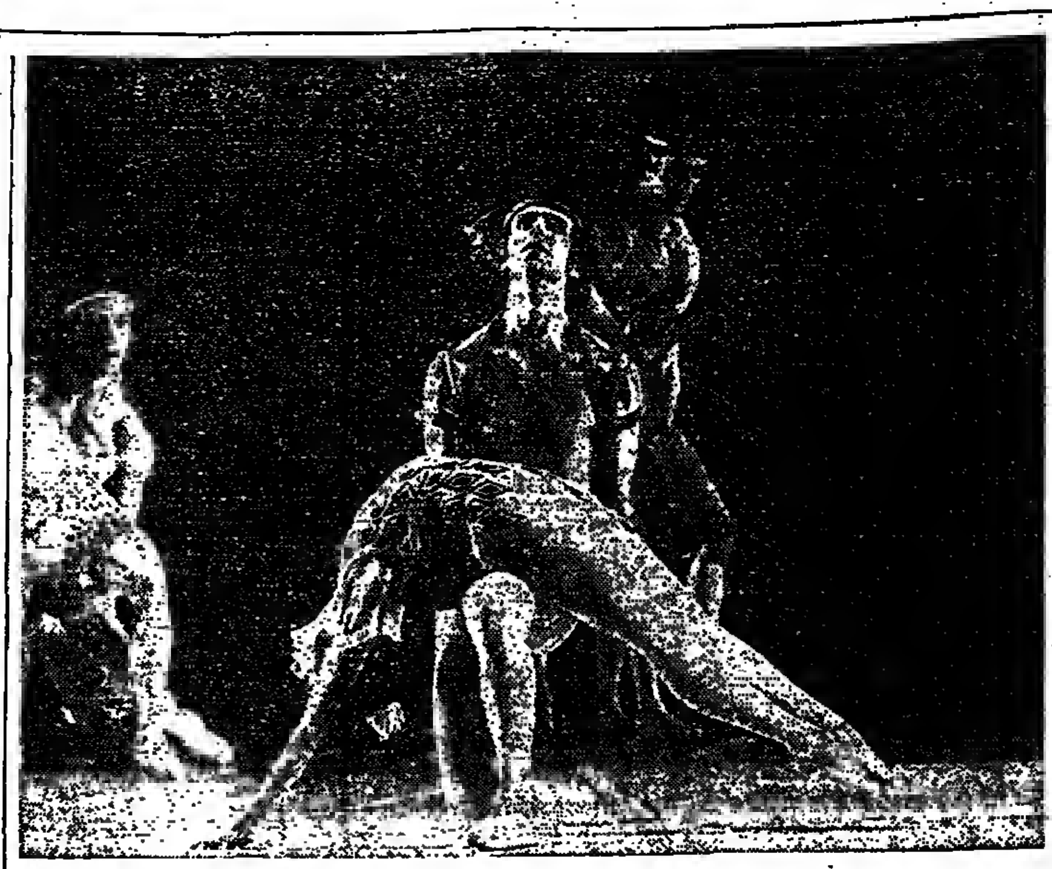
National Gallery at full strength

The Lower Galleries beneath the principal floor of the National Gallery are closing for several weeks for rehanging and decoration. The space allocated to the Lower Gallery Collection has almost doubled with the completion of the northern extension and so the pictures in this collection are to be reorganized in more spacious surroundings.

Paintings previously on loan to regional galleries have been returned to the National Gallery for a period of time before reallocation so that when the rehanging is complete, the public will be able to see virtually all of the National Gallery collection under one roof.

Film of The Devil's Advocate

The Devil's Advocate, one of Morris West's most popular novels, is to be brought to the screen. The film will be made by a German company, Geria Films Gmbh, on a $3,000,000 (£1,500,000) budget. J. Lee-Thompson is to direct the picture, which will go before the cameras in May. Mr West has himself written the script. The story tells of an English priest who is chosen to present all possible evidence against a man proposed for canonization and who finds himself caught up in a web of concealment and intrigue.



Marion Tait and Alain Dubreuil

Morse has still to lift the curse

Pandora
Royal Shakespeare
Stratford-on-Avon

Peter Williams

Britain's major classical dance companies have failed where our contemporary ones have succeeded, namely in creating the right workshop situation for developing choreographic talent. Lacking this machinery, then, the real value of the Royal Ballet's smaller company becomes apparent, though perhaps it is asking too much that the young entry should be exposed to critical assessment at public performances in which their works rub shoulders with established masters. It was this company that gave stage to David Morse's *Pandora* at Stratford-on-Avon on Friday.

Somebody should have impressed upon Morse that Zeus's revenge for Prometheus's theft of Olympian sacred fire appears to have included a curse that any classical ballet about Prometheus almost invariably fails. In the present instance the ballet falls short because of Morse's involvement with the rigmarole leading to Pandora's opening of the box, in this case a sealed amphora, which released sins upon an unsuspecting world, leaving only hope. That he has an interesting way of writing was made clear when, a few years ago, he created a slick circus quartet for an Association of Ballet Clubs evening; his powers of applying this to narrative are as yet less formed.

Leaving aside the old story of gods revenging themselves on mortals, Morse has written what amounts to a well-made *divertissement* which, surprisingly, seems to have been influenced by the postwar French school of Lifar. All very clear cut and clinical, so clinical in fact that dances for sickness, madness and perversion passed almost before I became aware that they had happened. The choreography, especially in its lyrical moments, was well related to Roberto Gerhard's fine score, originally composed for Jooss and now arranged for orchestra by David Atherton. The title role is admirably suited to Marion Tait's finely-wrought brittleness which melts as her love deepens for Alain Dubreuil's Epemetheus. As Zeus, Stephen Jefferies has little to do other than look ferocious; after a mercurial solo, before stealing the fire, Kim Reeder's Prometheus is quickly dispensed with.

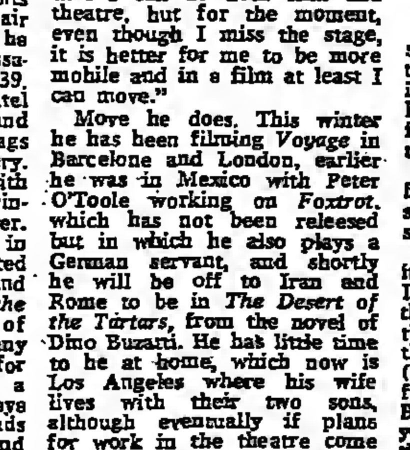
Certain re-thinking about relating subject to dance could make this a useful work and an important stepping stone to better things. It suits the company, as does Cranko's *Card Game* which ended the programme. Although I find this a heavy-handed version of Stravinsky's witty score I shall long cherish Vyvyan Lorrayne's dopey Queen of Hearts and Jefferies's brilliant Joker, a mixture of Grock and Boris Karloff. The least said about *Raymonda* Act III, which started the evening, the better.

Max von Sydow

Michael Leech

"I have been lucky. I didn't plan any international film career—it just so happened." Max von Sydow answers questions slowly, weighing each word and often answering monosyllabically. The tall Swedish actor seems to have lost the Gothic gauntness of the famous Ingmar Bergman films, but he still has an air of being removed, and even though he replies directly it is from a measured distance.

"After I became a member of Bergman's group I was noticed abroad, and that wouldn't have happened to me normally because I didn't *try* to be noticed. I didn't know what would happen when I went to the United States to do *The Greatest Story Ever Told*, but it has worked out. I am very fortunate in my career."



Deceptively simple answers from a complex artist. He sits in an ornate, brass-bound chair in an office supposed to be that of the German Ambassador to Cuba. The year is 1939. Hitler stares from the mantel under a grimacing eagle and swastika poised between swags of fake Grinling Gibbonsery. In fact we are in London with familiar views beyond the windows of Thames and Tower. The film is *Voyage*, the first in Sir Lew Grade's Associated General Films programme, and is based on *Voyage of the Damned* in which a group of Jewish refugees flee Germany on a luxury liner bound for Havana. In the film, from a true story, von Sydow plays Captain Schroeder who finds himself placed between cat and mice, an anti-Nazi unaware of the mesh of plots his ship is sailing in. When the passengers are refused landing permits in Cuba, he himself tries to intercede before the Ambassador. How carefully does he consider a part before he accepts it?

"Very carefully", he answers. "A part for me must be a challenge, it must offer something special. Schroeder is complicated and he is pulled in several directions in this film since he is a humanitarian. So I find him interesting. In *Three Days of the Condor* I was a hired assassin, so I had to develop a quality of menace. It's a suspense movie with a lot of the usual stuff but I think it's done very well. I enjoyed working in that with the director, Sidney Pollack, who works very nicely with his people and creates a good mood. We have the same feeling on this film, and that's important for me."

A lot of his professional life, particularly early on in Sweden during the Fifties when he was a young actor at the Municipal Theatre of Malmo, has been spent onstage. There Bergman found him and cast him in *The Seventh Seal*, although he had previously been in *Miss Julie*, filmed in 1951 when the student actor was 22. Don't parts in plays give him more opportunity than films to explore and develop character?

"Oh yes, much more. It's frustrating to be on a tight schedule and not to have the continuity and audience contact one has in a play. With Bergman of course there was a sense of working with a company of actors and there was more time. I hope very much that I can do both film and theatre, but for the moment, even though I miss the stage, it is better for me to be more mobile and in a film at least I can move."

Move he does. This winter he has been filming *Voyage* in Barcelona and London, earlier he was in Mexico with Peter O'Toole working on *Foxtrot*, which has not been released but in which he also plays a German servant, and shortly he will be off to Iran and Rome to be in *The Desert of the Tartars*, from the novel of Dino Buzatti. He has little time to be at home, which now is Los Angeles where his wife lives with their two sons, although eventually if plans for work in the theatre come through the family will return to a house in the Swedish countryside.

For most people Max von Sydow is best known for his Bergman portrayals—in *Wild Strawberries*, *The Magician*, *Virgin Spring* and others, most recently in 1970, *The Passion of Anna*. Since 1964 and his American debut, he has appeared more and more in popular based films such as *Hawaii* and *The Quiller Memorandum*, and was seen by a huge audience in the title role of *The Exorcist*. How different was it working with Bergman during the late Fifties and Sixties?

"In a way it was like theatre on film, but Bergman *likes* to work with people he knows and he also has been active in the theatre all through the years so he uses actors from the place he is in at that moment. Also you know, there are not too many actors in Sweden—we have only eight million people and a million in Stockholm, consequently the people working in films are very few. So he only has a small number to draw on, but this way he gets to know them well and uses them to their best advantage. That's probably the main difference." He pauses to tap one long finger on a heavily embossed desk folder beside a pair of ancient telephones. "You see, we all know him and he knows us, and we know pretty well what he wants and he knows what we can do with his material—and there I think you have it." He smiles as though at some private joke.

But how did he react to being in a film like *The Exorcist*?

"I was challenged by the part, and being allowed to portray an older man—that *much* older man—in a film. In the two Swedish pictures made by Jan Troell called *The Emigrant* and *The New Land* made about five years ago, both long films, I started out as a young man and ended up old. But in *The Exorcist* I was presented from the beginning as a very old man. We had an excellent make-up man, Richard Smith, so the make-up was 100 per cent and then you see, it's a challenge to act up to this. Any good make-up is lost if you don't act it, and I found that interesting. But I hadn't really visualized the exorcism being done the way it was done."

Did it shock him?

"No, it didn't," he replies slowly. "I think as the director I would have underplayed it. I certainly didn't regret being in the film, though I found the story very destructive, very negative."

Does it distress him when a film emerges as different from something he initially envisaged?

"That is very disturbing and it does happen very frequently. It happened with *The Reward*, the second picture I made in the USA. I never saw the final version of the picture (I very rarely look at my old films—maybe some of the Bergman pictures after a few years) but I liked very much the story when I read the screenplay, then during production almost all the dialogue was cut out, changing the entire story. And the producer and the director were fighting so we ended up with two endings. It was unfortunate."

Does this make him feel like a pawn in a power play?

"Yes it does. One has much more say in the theatre, which is why I prefer it. In a film you can be edited in a way you wouldn't want, but if you know the director and know that he is strong enough to oppose a lot of demands from the producer, you can trust that it will be all right.

"I need a meeting of minds with the director. To be stimulated—this is what I enjoy, for example to be working with many different and interesting people, as in this film, *Voyage*. We certainly have some remarkable actors in it and using such talent, and so much of it, generates fantastic results. I don't understand those people who want to stand out on top of everybody else."

And any directors he would like to work with that he so far hasn't?

"Oh, Schlesinger. Arthur Penn. Robert Altman. If any of them should come along it would be good."

He sounds like a man happy with his life? This time his laugh is open and pleased and his eyes sparkle.

"I am. Thank God I am. I suppose you could say it all comes back to Bergman. Yes, I think it does."

Twenty years of John Moores exhibitions

The tenth of the biennial John Moores Liverpool exhibitions this year offers a total of £10,000 in prize money to United Kingdom artists. The winning artist will receive £4,000, the second £3,000 and the third £2,000. There will also be 10 prizes of £100 each. The sending-in dates for works of art are February 23-28. There will be a press viewing on May 4 in Liverpool, when the prizewinners will be announced, and the private view will be the following day. The exhibition of all chosen works will be from May 6 to August 8.

Rachmaninov ang

LPO/Ax
Festival Hall

Max Harrison

From Emanuel Ax, winner of first prize in the 1974 Artur Rubinstein International Piano Master Competition at Tel Aviv, we obviously could expect a technically immaculate performance of Rachmaninov's second piano concerto on Friday. But it was both more and less than that and, most unusually for so familiar a work, included various surprises, many of them agreeable.

Chief of these was the absence of stock responses and in particular of virtuoso rhetoric. Even the piano's cadenza-like entry in the finale was, if anything, understated, and to considerable effect, because it was contrary to our expectations. Occasionally in the first movement, when accompanying the orchestra, Mr Ax's restraint went rather far, but there was nothing mechanical, nothing bland, in his interpretation. And there were some beautifully judged specific moments, such as the easing back into Adagio sostenuto in the slow movement.

At this point Bernard Haitink gave a lovely shape to the London Philharmonic string phrases, but the conductor appeared also to be responsible for some of the performance's bad, or at least inexplicable, news. In the first movement, for example, when the sweeping initial melody reappears, Rachmaninov marks the strings and piano *ff*, the brass and timpani *mf*, yet Mr Haitink had these latter, and especially the timpani, play at least at *ff*. The result, both here and at several other points, where something comparable happens, was a serious imbalance of texture that, if only brief, was disturbing, and most unexpected from a conductor of his stature. Whether they were Mr Haitink's or Mr Ax's idea I cannot say.

Equally problematic, though in a totally different way, is Shostakovich's Symphony No 15, at least for a temperamentally tic to this compose He was among the tent of twenti symphonists, yet, ly, never took a view of what symphonic form. Ma will by now have heard about, the quotations from W even Rossini (beside quotations) which frequent points in but, even with hearings, even with lutely masterful re Mr Haitink's, it is them into an overa still less an emotion

That is most esp case in the opening which repeatedly Gallop from *William* insufficient for the commentary to infor this movement portr shop at night with at play. No external can of itself justify incongruities, and fac still less. More conv the third movement Allegretto, which may as a refinement of the grotesque expression in many earlier Shos pieces.

The previous eigh Queen Elizabeth Hall Lima showed himsel adept in the lyrical Chopin than in the produced exquisite piano tone and acc group of Mazurkas, the frail, spectral opus Chopin's last composi finale of the B fla sonata was aptly insu also, murmuring dark storm far away on the The earlier movements work seemed rather in comparison, altho Trio of the Funeral M made to brood very This was comparable suave delicacy of the opus 27 No 2, a pie confirmed that Mr Li essence a miniaturist. he devoted his second the complete waltzes of a risky, yet in the eve cessful venture. They face enchantingly played clear, with bold colo lilting rhythm.

King's Singers
Queen Elizabeth Hall

Alan Blyth

Looking almost as boyish as ever and as much adored by their audience, the King's Singers introduced fresh items from their repertory on Saturday evening. The most striking addition was a group of folk-song settings by the underrated Czech composer Josef Suk, the two countertenors taking a rest while the more orthodox voices interpreted songs originally written for choir. As given here, they had just the right bite and attack, with Alastair Thompson's white tenor having just the right Slav flavour on the top line. Suk adds enough tartness to the romantic inheritance of Dvorak to give his arrangements an individual tang. All five songs were done evocatively in Czech.

Six Renaissance Lieder revealed the increasing stature of the Swiss composer Ludwig Senfl as we come to know more of his music. Maximilian I's court must have delighted in his many and varied love songs, both sad and joyful. Here the long and intense polyphonic lines of a tender, extended piece about an ailing beloved was matched by the smooth, intimate style now adopted by the King's Singers for this kind of music. Elsewhere in these and some Spanish song same period the reading a bit too refined, some calling for an approach, but the grave soulfulness of Vasquez's " mas" was memorable.

For Noël Coward (who have been in happier co after the interval) ther not only a change of sty also of jacket, apparently being the priate texture for the master. The arrang worked admirably for mental songs such "Matelot" and " Pride". In the more numbers the ela needed to fulfil the six voices often dis Coward's sardonic wit. Runswick, the arranger, surely wrong in saying Coward had greater affect for his subjects before the than after it: the sharp tong was always there.

Nocturnes, a new work words and music by Parker, enabled the grou show the peak of effortle tuosity in harmony and lation that they have achieved. This was cap the obligatory close-ha songs, which also disp Singers' good-humoured trionic gifts. "Puppet String" and "Wid Fair" predictably down the house—not an missed yet everything natural and spontaneous.

Some of the notices on this page are reprinted Saturday's later editions.

Against all odds

Prinny's Daughter
A Life of Princess Charlotte of Wales
By Thea Holme
(*Hamish Hamilton*, £6.50)

Whether you believe in heredity or environment as the decisive factor in the development of childish character, Princess Charlotte could hardly have got off to a worse start. Her father, the Prince Regent, had taste and wit but was a monster of self-indulgence to whom truth and honour were meaningless concepts, so egocentric that normal human relationships were beyond him. Her mother, Princess Caroline, was a flamboyant and vulgar whore, not without a certain cunning but as unaware as her husband of the needs and wishes of those around her. At their first meeting the Prince embraced his bride-to-be, called for a glass of brandy and fled the room. "My God!" cried the Princess. "Is the Prince always like that? I find him very fat. . . ." On their wedding night the Prince spent several hours drunk with his head in the fireplace and only performed his traditional functions as dawn broke over Carlton House. From this unseemly coupling sprang Princess Charlotte.

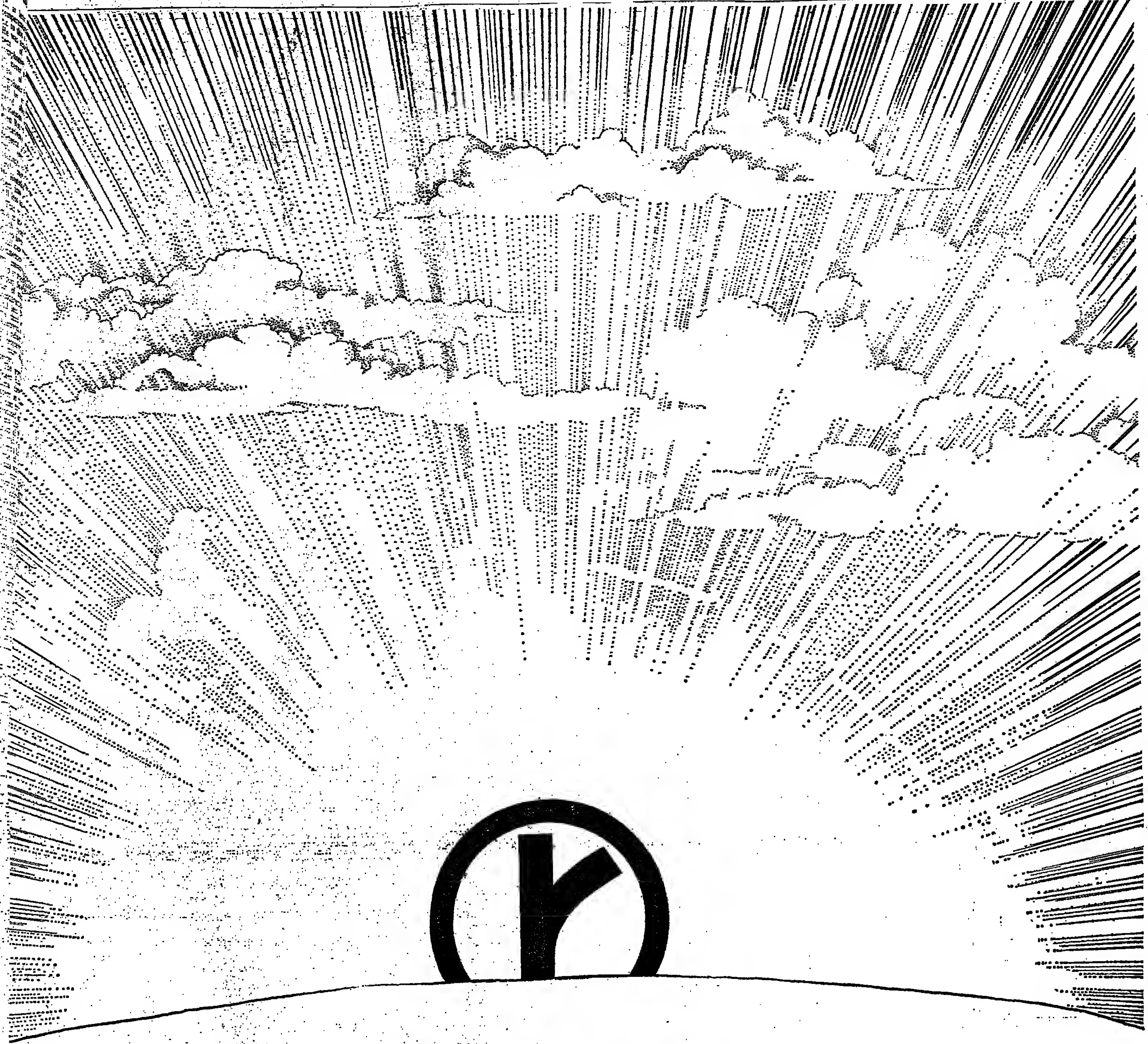
Nor was her upbringing likely to redress this unpromising conception. She spent most of her childhood in seclusion, ignored by her father and mother except when she served as a weapon with which one of them could beat the other. Her attendants were either starchy or promiscuous, like the subgoverness Mrs Udney, who indulged herself with a lover in a room adjoining the Princess's and encouraged an interest in improper cartoons. In the background there raged continually the battle between her parents, the Prince seeking publicly to establish the Caroline's adultery wh were sure had taken pl which was irritatingly prove.

The Princess encour daughter down the pat she trod so turbulently locking her in a bedro one of the Duke of Yor tards, the dashing Hesse, and wishing Speed with an ami *present je vous laisse vous!*"

The miracle is that grew up more or les Thea Holme draws thetic picture of a bu high-spirited tomboy, hearted, guileless, tween loyalty to her and a clear-headed tion of her manifold nesses. She was not blemish herself: im quick to yield to appetite, often incons but she was far sinned against than "Charlotte must lay idle nonsense of thinki she has a will of her declared the Prince "while I live she must ject to me. . . ." Muc brief span of adult spent fighting again father's choice of William of Orange, nasty, ugly, spider-legg Dutchman" as she tre described him. Eventu escaped this fate and what might have prov happiness with the h and thoughtful Leo Saxe Coburg. The unk of fate which cut short just when it seemed begin in earnest pro moving climax to thi raphy.

While not the fruit found research it is per lively and well writte cess Charlotte comes these pages and that, is what biography is all

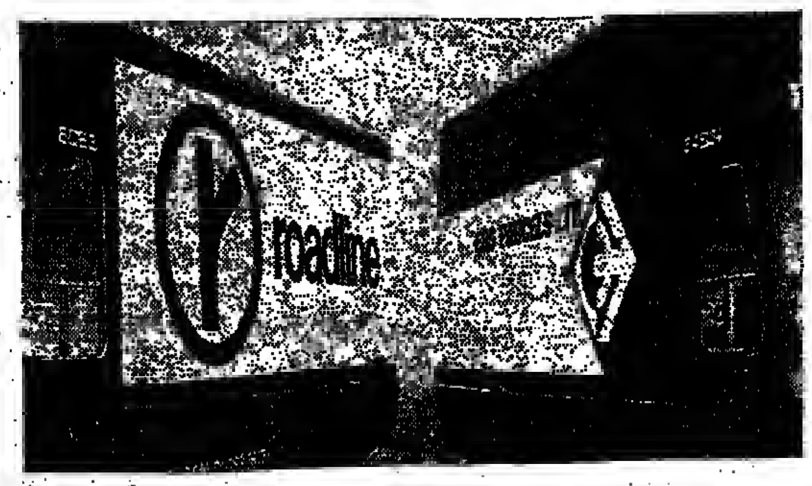
Philip Z



The new face of distribution

Last week we were BRS Parcels Ltd. Now we are Roadline. Why the change of name? We exist in a modern industry of changing patterns and accelerating demands. As BRS Parcels, we have been developing our services and resources to match the tempo of the times. We have been introducing new services to match new needs. But our name has not kept up—and it has been confused with others. So now we are Roadline.

The future of Roadline is the future of distribution. The patterns for that are already emerging. For instance, last year saw the introduction of Relay Express, to solve the problem of final deliveries. Roadline will build on the success of that service. It is just one development amongst many.



New services will come as new demands come. Vital existing services will stay, and Roadline will develop them still further. As needs change, so Roadline will change. The new face of distribution is an ever changing face.

Roadline. A national distribution service, from beginning to end. Our branches are shown below. Ring Roadline.

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COTLAND Aberdeen Tel 21301 • Dundee Tel 40431 • Earlston Tel 293 • Edinburgh Tel 031-669 1351 • Glasgow Tel 041-429 2171 • Kirkcaldy Tel 3144 • WALES Cardiff Tel 21662 • Carmarthen Tel 7541 • Colwyn Bay Tel 44311 • Newport Tel 62981 • Swansea Tel Skewen 812166 • Welshpool Tel 3101

David Steel

Time to stop fiddling about with the Abortion Act

The Liberal MP for Roxburgh, Selkirk and Peebles joins our regular contributors.

A week today the House of Commons is to be asked to vote on whether or not a select committee should be reestablished in this session to consider the matter of the abortion laws. Since the first refuge of any politician—be he Prime Minister or a backbench MP—is to set up a committee on any awkward subject, it is necessary to set out why this should not be done.

In 1967 Parliament passed the Abortion Act, as the result of my Private Member's Bill. In the years that followed, there was first a genuine concern about abuses of the Act—principally by a few private clinics which accepted patients without question provided that they had the money—and second a sustained campaign which exploited these abuses to seek repeal of the Act.

As a result, in June, 1971, the then Secretary of State for Social Services, Sir Keith Joseph, set up a committee under the chairmanship of Mrs Justice Lane to review the Act. Three years later they reported "the Act has relieved a vast amount of individual suffering", and that members of the enquiry were "unanimous in supporting the Act and its provisions. We have no doubt that the gains facilitated by the Act have much outweighed any disadvantages for which it has been criticized".

The committee, however, also said: "Much of the criticism is justified: in consequence of the Abortion Act a situation has arisen in which a very small number, of perhaps about 20 or 30 members, of the medical profession and those associated with them, have brought considerable reproach upon this country."

The Lane Committee had particularly in mind the racketeering—fully exposed in the press—by one or two clinics which had even resorted to paying taxi drivers to hijack potential abortion patients at London airport. The committee recommended "that further steps are necessary to control the private sector and check the abuses which have grown up within it, particularly with regard to referral agencies and advisory bureaux".

No Government statement was made, either then or subsequently, on what would be done about the committee's recommendations. The abuses continued on a lesser scale, and a Conservative MP, Michael Grylls, promoted a Private Member's Bill to license referral agencies. He was supported by both opponents and supporters of the original Act, including myself, and had the tacit approval of the Department of Health and Social Security.

The committee stage of the Bill was—without much public attention, and to Mr Grylls's justified annoyance—filibustered out by those who opposed the whole Abortion Act, and who were happy that the abuses should continue as a stick with which to press for its repeal. Still there was no statement of Government policy.

In November, 1974, Mr James White, the Labour Member for Glasgow, Pollock, drew a place in the ballot for Private Members' Bills. He has a large Roman Catholic population in his constituency, and was immediately pounced upon by those who wished a substantial repeal of the 1967 Act, notably Mr Leo Abse. Mr White's Bill received a second reading in February, 1975, by which time MPs were deluged with correspondence and newspaper cuttings complaining of the abuses of the Act, to which the Government had still made no response. Not unnaturally there was a substantial vote in favour of the amending Bill and it was sent to a select committee, of which I was a member.

One of my criticisms of successive Governments had been that though the Secretary of State for Social Services was empowered under the Abortion Act to see that doctors' opinions were given "in good faith" and not out of financial motivation, and that clinics could be "approved for the time being", (and therefore disapproved at any time), this power had never been properly used, because Government lawyers doubted how far it could be used.

Latterly it was used, and a number of clinics were quietly closed. As I put it in the committee: "What has happened is that the department's view has evolved exactly to the point where the sponsors of the original Act intended it to go, but it has taken eight years."

The select committee became bogged down in arguments about the terms of the White Bill, but thanks to the skill of its chairman, the Rt Hon Fred Willey, it concentrated its main report on nine unanimous administrative recommendations. These were all subsequently accepted and implemented by Mrs Castle.

There the matter ought to rest. The abuses appear to have been stamped out. Thanks partly to that and partly to the reform of abortion laws in other countries, our abortion figures have, during 1975, for the first time since the passing of the Act, been going down. The Royal College of Obstetricians and Gynaecologists has voted 28 to two that they are not dissatisfied with the workings of the 1967 Act, and the British Medical Association passed a resolution by 360 votes to four opposing the changes proposed in James White's Bill.

Unhappily, but understandably, those who are opposed to the reasonable availability of abortion on properly judged medical opinion are still flooding MPs with letters demanding that the Act be repealed or severely amended. "Setting up a committee" will be the easy way out—again. Yet there is nothing the committee can now achieve, except waste more parliamentary time and money, since it cannot hope to agree on fundamental questions behind which there are deeply and sincerely held opposing views.

There are some who wish to change the law to restrict abortion. There are others who wish to change it to create abortion as a woman's right. Both groups must seek the normal parliamentary opportunities to introduce Bills to change the law.

In the meantime, those who welcome the belated and successful steps which have been taken to end the abuses of the 1967 Act, and who want to retain the full discretion of the responsible majority of the medical profession, should oppose the appointment of what can only be a fruitless and wasteful committee.

Raising the tax threshold could be the sweeten[er] Mr Healey needs for the incomes policy

How is the Government to make stage two of the incomes policy acceptable? To many union leaders the key is unemployment. That is something they feel instinctively and the Chancellor has been forced to promise a further package of bits and pieces so that he can be seen to have responded to their pressure. But that is not the only pressure to which he must respond. Despite the synthetic drama of Labour abstentions in the Commons debate last week, there is still no evidence that unemployment is the main anxiety of the rank and file.

The Government won approval for the first round of incomes policy last summer by convincing the unions that the rough justice of an arbitrary limit was better than uncontrolled inflation and the threat of economic collapse. In negotiating a second round, ministers will have to appeal to much the same fears as before, justifying indeed an even stricter overall limit, while showing that there is a little flexibility in the system. That is why they prefer for this occasion a mixture of flat-rate and percentage increase.

That also explains why Mr Jack Jones has been squealing before he is hurt. The £6 limit, which was his brainchild, happened to be in the interests of his membership because a flat-rate increase must mean more to the low-paid. Any flexibility in the system must therefore be a concession from his point of view. So he proceeded to get his pitch in early. When Mr Jones speaks the Labour movement has to listen, as Mr Mikardo among others knows full well. But he is not the only person to whom it must listen.

Other union leaders, with very different clienteles to satisfy, are worried about eroding differentials. They want more for the skilled worker and for the man with a little extra responsibility. An incomes policy that is to survive for another year must meet these aspirations as well. It must, therefore, offer a little bit in quite different directions. But the bit that can be offered in straightforward wage increases must be little indeed if it is not to be inflationary. If it is to be part flat-rate and part percentage there cannot be all that much under either heading. So there are the reports that the Budget is to be called in aid of the incomes policy.

After all the anxieties over the public sector deficit Mr Healey could hardly be expected to throw sweeteners around in every direction. What he will need is a multi-purpose sweetener. The best prospect here would be to raise the tax threshold which has not been adjusted to keep in step with the pace of inflation in recent years. Some 20 years ago a man with two young children did not pay income tax unless he earned more than the average wage: now he does so if he earns half the average wage.

If the level at which people began to pay tax were to be raised there would be three distinct and separate advantages. The first is that it would be, and could be clearly seen to be, lightening the load for most of the low paid. It would help just those people whom Mr Jones has in mind, and in many cases would do so more effectively than a corresponding increase in pay because of the tangled mesh of taxes and welfare benefits.

The second advantage is that it would also relieve the pressure on those higher up the income scale. The people in this category whom it is most necessary to help are those who find themselves disqualified by their earnings from welfare benefits but are still far from affluent. They have managed to earn a little more for themselves by their skill and effort, yet now they are afflicted by higher prices and squeezed by taxation without much margin of income to spare.

It is from such people, acutely aware of differentials and fearful that they are once again being made the sacrificial victims of national policy, that the main threat to Mr Healey's stage two comes. A higher tax threshold would do something to ease things for them, even if it would not be a sensitive means of adjusting differentials. It would also help those middle managers whom the Chancellor believes need more incentive.

The third advantage of raising the tax threshold is one of social policy. In a paper published last week by the Low Pay Unit, Mr Ralph Howell, Conservative MP for Norfolk North, spelt out the damaging effects of the overlap that has developed between taxes and welfare benefits.

This is not a party matter. Ministers are well known to be equally disturbed by the mess. Income tax is levied, for example, on a number of families who are poor enough to qualify for family income supplement. The level of income at which tax payments start is below that at which supplementary benefit is paid, which is conventionally regarded as the poverty line.

For some people there is little financial advantage, and may even be a positive disadvantage, in working at all; and there are the familiar effects of the poverty trap. These may not be quite so apparent in practice at a time of rapid inflation when benefit levels have to be adjusted frequently. But the Government could hardly be satisfied with a system that depends on inflation to mitigate its most harmful effects.

Mr Howell offers three remedies. The first, a minimum wage, would certainly be inappropriate at a time of high and mounting unemployment. Another, moving away from the means test on ... would be valu... term strategy b... tion here and ... implications n... amined in some ... third remedy, ... threshold, is im... ant for this ... poses. By relie... of families of t... pay income tax ... reduce the over... benefits.

The cost w... depend on the ... the threshold ... the degree of ... not be so great ... at first glance be... insurance contri... go up quite a bi... some tax relief wi... if the state is ... more in total ... packet than it do... Healey chooses th... would give him th... hitting a number of ... a single shot, whic... as a Chancellor ca... policy in a bad ye...

Geoff[rey] ...

The fundamental question on Russia's arms build-up

Lord Chalfont

I was *not* entirely surprised to discover in New York last week that one of the main subjects of conversation in political circles was the Central Intelligence Agency, largely because last Monday *The New York Times* published an extract from a confidential report on the Agency by a congressional committee, which had, as the newspaper delicately put it, "come into its possession".

Predictably the report, in *The New York Times* version, accused the CIA of a spectacular range of malpractices, from procuring women for royal personages to misleading the United States Congress—or it may have been the other way about, although in that case I don't suppose it would have got into the report. It is not my intention here to comment in detail on the curious phenomenon of this orchestrated attack on the CIA, although it seems to me to be based on some profoundly confused thinking about the nature of national security. On this occasion I was more interested in the nature of the public reaction.

The press and the broadcasting services seem to be convulsed by one of their endlessly recurring fits of morality. Leading articles of majestic condemnation are written, and quoted approvingly by whey-faced television "commentators" between commercials for even more unappetising breakfast foods. Politicians, scenting a good progressive issue in election year, utter pious reflections on the constitution. The mongrels bark, and the bandwagon moves on.

On the other hand, a few timid voices are raised to point out the danger of destroying America's ability to carry out legitimate and essential intelligence operations. But between the strident critics and the frightened apologists there is a great desert of unconcern. The general public, it appears, does not care very much one way or the other what happens in or to the CIA, as long as the garbage gets collected in Yonkers. It is, I think, worth saying once again that in a free society, this kind of apathy is a very dangerous phenomenon. Whether, in the long term, the greater danger to individual liberty comes from the agents of the CIA or its critics is a point which is, to say the least, moot.

What is certain is that people ought to *care*, because in either case it is the very survival of individual liberty which is at stake.

When I returned to London, I encountered an interesting aspect of this problem, on a somewhat different level. Awaiting me were several hundred letters about a recent documentary programme on Independent Television, in which I had sought to evaluate the proposition that this country is suffering from a pernicious form of creeping Marxism. Most of them were from people asking what they could do about it; only a tiny minority were hostile.

This was in vivid contrast to the reaction from the left of the political spectrum. The *Morning Star* devoted a long feature article to "Chalfont's anti-communist travesty"; *The Guardian's* relentlessly arch leader-writer commented that the recent trade union elections had proved that the menace of the extreme left has been exaggerated, a neat piece of dialectic which ignored the much more obvious possibility that the success of the moderates has been largely due to the recent campaign exposing the activities of the extreme left. The television critic of *The Sunday Times* delivered a fierce political lecture thinly disguised as a criticism of the programme's technical shortcomings; and the ultimate accolade came from Tass, the Soviet news agency, which accused me of falsifying the evidence, a stupendous piece of impertinence from that objective and independent organization.

What is interesting about all this is not so much that the left resents the message which the television programme set out to convey—although in fact much of it was delivered out of the mouths of its own representatives. No, the interesting thing is its frenzied rejection of the proposition that the Soviet Union, in the international context, and the extreme left in domestic politics, are growing in power and influence. At first glance, this may seem rather curious. Most political movements would welcome the suggestion that they were becoming progressively more powerful and successful.

The reason is not in fact, hard to discern. It is, quite simply, that the enemies of democratic societies rely for their success on the naive, trusting, comfortable apathy of people to whom freedom is a habit, not an abstract ideal.

The Marxists are convinced, like Shakespeare's Tarquin, that rape is more easily accomplished in the dark, "for light and lust are deadly enemies", and their immediate concern is to set their foot upon any candle which may be lit to illuminate their aims.

The uproar from Moscow about Mrs Thatcher's speech and the *sniggering* from this country's ineffable chorus of left-wing intellectuals will not, I hope, cause the facts to be lost to sight. Of course there have been a few successes by moderates in recent trade union elections; but that does not mean that the power of the extremists has been broken—still less that it never existed. Of course there has been a considerable advance in diplomatic relations between the Soviet Union and the West and no one in his senses would deny it. There is, however, one fundamental question which must be answered by those who suggest that we should take Russian protestations of benevolence at their face value. It is, quite simply, this. What aims of foreign policy are served by constant reinforcement of Soviet military strength in Europe; progressive and significant expansion of the Russian fleet; open interference in the political crisis in Portugal and in the civil wars in Angola and Lebanon; intensified activity by the KGB throughout south-east Asia; and the stationing of more than a million troops on the northern frontiers of China?

It may be, of course, that these facts can all be explained in the context of an entirely pacific and defensive Russian foreign policy. If so, I would be *delighted* to hear the explanation. It will not do, however, simply to say that the facts do not exist—I can believe a lot of impossible things before breakfast, but that is not one of them.

I hope, furthermore, that the long overdue recognition, by some of our political leaders, of the pervasive threats to our democratic system will not prove to be a passing phenomenon. Two of the three major political parties are now clearly identified with a view which will touch a responsive chord in a great number of people, on an issue which may be, at the next election, more important than ... now think.

In this context it ... a pity that Mr Ro... man of moderate in... has fought hard ... savage cuts in th... budget, should hav... weight to the campa... Mrs Thatcher with ... jibes about the cold ... political antennae s... warned him to leave ... exercise to one of h... colleagues. And this, ... finally, back to tho... who asked, after ... television program... Marxism—"Yes, but ... we do?"

There are many th... people can do as me... trade unions or of co... Labour Parties; or a... of children being ex... school to persistent ... propaganda; but wha... one, except peers and ... can do, at the next ele... to examine closely the ... of every candidate on th... which seems to me to be ... to the very survival of ... society; and then to re... candidate whose views ... opposed to his own—re... of party affiliations ... who is not prepared t... has no right to ask, "... I do?" If extremi... allowed to use our par... tary institutions and ... cratic processes to destr... society, the very least we ... do is use the same weapo... defend it.

South Africa's costly blunder in sending troops to Angola

South Africa's direct intervention in the Angolan civil war may turn out to be its most serious foreign policy blunder for years. Not only has South Africa failed to achieve its military/political objective—to defeat or at least neutralize the leftist Popular Movement for the Liberation of Angola (MPLA)—but it has also alienated a number of black African leaders who were beginning to reappraise their attitudes towards Pretoria.

Mr John Vorster, the South African Prime Minister, is now faced with the prospect which, in his "detente" speech just over a year ago, he admitted was "too ghastly to contemplate". There will be an openly hostile regime in Angola which might, like Mozambique, have been prepared to coexist with South Africa but now regards it as an aggressor. The MPLA will almost certainly give active support to the nationalist South West Africa People's Organization (SWAPO), which will mean that South Africa will have to maintain a large and costly defence force along the Namibian border to combat guerrilla incursions.

The danger here is that not only will South Africa's constitutional plans for the formerly mandated territory be put in jeopardy, but that South Africa itself could be faced with an Israel-type situation with an increasing amount of the country's budget going on defence.

South Africa's credibility with those black states—notably Zambia—which had been prepared to listen to Pretoria's overtures, has been badly knocked. Hitherto the South African Government could claim with justification that it did not interfere in the internal affairs of other countries.

South Africa's motives are clearly not confined, as originally claimed, to defending the Cunene River irrigation and hydro-electric scheme. It saw the presence of Russians and Cubans on the side of the MPLA as a move to establish a permanent Soviet presence in Angola, which may well be the Soviet intention, although the MPLA avowedly follows a policy of non-alignment.

However, by its intervention on the side of the Union for the Total Independence of Angola (Unita), South Africa has not only compromised Unita in African eyes but has provided justification for the MPLA to import huge numbers of additional Cuban troops "to counter South African aggression".

South Africa also had the idea of replacing the white *Cordon Sanitaire* along its northern borders with a string of stable black states which, if not exactly allies, would at least not be openly hostile.

There are already good relations with Botswana and Malawi, while Zaire is probably the most aggressively anti-communist of all African countries. If a pro-western or even neutral regime could have been installed in Luanda, South Africa's long-term position would have been as stable as before the Portuguese departure. So the South Africans cast their eyes towards Dr Jonas Savimbi, Unita's leader.

Dr Savimbi has an appealing personality and his brand of moderate socialism has obvious attractions. However, Unita has a handful of personable, multi-lingual leaders but little else. Although it does command considerable tribal backing from the Ovimbundu in the south, it does not appear to have the organization to put that support to good use. Furthermore its army has shown itself to be indisciplined and ineffective.

Since the meeting between the three nationalist movements last January, the prospect had existed that the MPLA and Unita (without the Angolan National Liberation Front—FNLA) could form a coalition. Their political aims were not dissimilar and together they would have represented more than 80 per cent of the population. But when Unita received South African backing, such an alliance, in the MPLA view, became impossible.

The South Africans, by brandishing the red flag of Soviet imperialism in Africa, clearly expected to ... greater support fro... United States and ... Europe. But not only ... appear to have misjud... mood of America's ele... representatives, but they al... to realize that with a ... tion of 30 million bla... United States could ... allow itself to become ... involved on the side of ... ruled South Africa. ... western Europe, Africa... are part of colonial his... few if any countries ... want to be seen in a... however tenuous, with ...

South Africa is regard... its northern neighbours ... mixture of fear and ... Rightly or wrongly, the... that South Africa is exp... ist has, in their eyes, ... proved in Angola.

Nicholas As[h]...

Andre Previn hopes to leave a legacy of happiness

As more of us live longer there is a tragic human problem: loneliness. Better pensions cannot alone solve it. Bad housing makes it worse, for it imposes physical difficulties and worry. Compassion and friendly understanding are vital.

Help the Aged does something practical with your partnership to help brave old folk. Not just the homely flats you have heard about. But much more; Day Centres throughout Britain where desperately lonely old people find friendship, interests and really understanding help from people who care.

My concern for this work can continue for generations to come. Even a modest legacy can start a new Day Centre in an area of special need. Under the new Gift Tax legislation gifts to charities are exempt from Capital Transfer Tax; and even if a donor dies within a year, or makes a bequest on death, the exemption limit is now £100,000.

Commemorate someone dear to you now

£150 perpetuates the name of a much loved person on the Founders' Plaque of another British Day Centre.

£100 names a hospital bed overseas.

Further information is available on request from:

The Hon. Treasurer, The Rt. Hon. Lord Maybray-King, Help the Aged, Room T4L, 8 Denman Street, London W1A 2AP.

The Times Diary

Grandmas lead toy spending spree

A Brighton hotel has been turned into a Santa Claus's grotto for the annual British International Toy Fair, which opened at the weekend. Alan Hamilton went to the preview to see what new methods of emptying parents' wallets the toymakers have dreamed up. He reports:

Bedlam reigned in the usually sedate Metropole Hotel. Squads of children, ferried in to play with the new toys for the benefit of photographers, raced fearsome yellow pedal cars up and down the lobby, and fired Evel Knievel Real Working Stunt Cycles over waiters' feet. In an adjoining room, where the real business of the day was taking place, a battery of fully armed salesmen and formidable public relations women bore down on any passing visitor with a barrage of hard sales talk.

Toys, shouted Philip Evemy, one of the fair's organizers, have weathered the recession well and sales have shown a slight increase. Last year we forked out £325m, which means that every child under 14 had £24 spent on it for toys.

"Grannies are still the mainstay of the business," mused one manufacturer. "When a granny comes into view, the shopkeeper just opens the till and waits for the money to fall in."

Toymakers believe that these difficult times are forcing families to stay at home and do things together in their living rooms. For this reason they anticipate a revival of interest in train sets, with two new manufacturers entering the field this year. And there is the annual crop of new board games.

The most topical of these is "The Economy Game", a board game described on the box as "timely as today's headlines . . . a new and fun way to learn how our economy works . . . The Economy Game offers you the opportunity to an unlimited future." As an extra touch of authenticity, the salesman on the stand had no idea how the game worked.

Today's sign was photographed in a hospital in Dacca, Bangladesh, by Stephen King of Evesham, Worcestershire.

Many of the new games are tied to current television series. There is a Planet Of The Apes game, and a Kojak game in which players race around the board in police cars trying to identify and corner a criminal.

Construction kits are popular this year, including a ship-in-a-bottle outfit and a do-it-yourself ant laboratory, which is one my own small boy will certainly have to do without. (You have to supply your own ants.)

Some of the new crop of toys are terribly clever. A retired RAF squadron-leader who worked on guided missiles has spent 16 years inventing a new kind of kite, which he proudly unveiled on Friday. He thinks it is the first steerable kite, and it is vaguely based on the aerodynamics of a bird. "We are hoping to bring out a camera for it soon, so that you can take aerial pictures of your house", said the squadron-leader's public relations man.

Suddenly the hubbub died, the crowd parted as the Red Sea before Moses, and the tall, silver-haired figure of Mr Griffin, chief buyer for Hamley's toy shop in Regent Street, swept through on his way to lunch. "He is like God here," said an awestruck saleswoman.

Back to the lobby, a dark-haired woman was shivering in a very small green satin bikini. "I represent the new British Seal of Approval For Children's Toys", she chattered through her goose-pimples, though the connexion was not immediately apparent.

Near by, looking warmer but equally bored, an out-of-work actor stood in a medieval pikeman's outfit of a fibreglass helmet and imitation chain mail. "It's something to do with toy soldiers, I think", he said. "I've just been told to stand here all day. This is two steps down from a walk-on part in *Crossroads*, but a chap has to make a living."

Heavy mob

Tomorrow's Strathclyde Council by-election in the new town of East Kilbride is a rare council election by most standards. Four of the ministers at the Scottish Office have been active for weeks. They go walkabout in the shopping centres and their mid-week press conferences are nicely geared to local paper deadlines.

The by-election is caused by the death of a Scottish National Party councillor who had a 400 majority last time. Whoever wins will make no difference to the decisions of the Strathclyde Regional Council. Labour already holds 71 seats, SNP five.

The reason for ministerial weight being added to the campaign is that East Kilbride is where Labour has decided to make a stand to stem the SNP advance. Their candidate is confident of winning, because of the intervention this time of a Conservative.

The SNP is enjoying the election and there is no shortage of volunteers. On Saturday an SNP motorcade drove through the shopping centre. SNP recently ousted Labour in the Lothians Region, capturing 83 per cent of the vote in the by-election, and won a seat from the Conservatives on Strathclyde.

Red king

My picture shows President Ford as the king in a new political chess set made by Studio Anne Carlton, of Hull, designed by John Letts and Keith Lee. Ford heads the Western team in the game, and his queen is Miss World, "the Western ideal". Pope Paul is a bishop, Henry Kissinger a castle and Harold Wilson a mere pawn. The opposing king is Leonid Brezhnev, with Mao Tse-tung, incongruously, as his bishop.

The studio also has a British political chess set, in which Wilson plays a more exalted role as king of the Labour side. Barbara Castle is his queen. Margaret Thatcher is a victim of sexual discrimination and can only be queen of the Conservatives, with Edward Heath remaining her king and, with

President Ford as king.

coalition in mind, Jeremy Thorpe as bishop. Recognizing the volatility of British politics, the makers supply their customers with fresh pieces if radical changes should occur.

Junior lion

Events in Gerrard Street, Soho, yesterday showed that some white devils have difficulty telling lions from dragons. The Chinese community were celebrating the lunar new year.

In the Chinese almanac, 1976 is the year of the dragon, and Gerrard Street was festooned with festive illuminations carrying the beast's likeness. European visitors accordingly assumed that the goggle-eyed, green-snouted beast dancing down the street must also be a dragon, but they were wrong.

"You know, for the year of the ox we do not have an ox dance, or for the rat a rat dance", explained a C... restaurant manager ... "Soho streets are ... enough for a drago... The dragon is very ... has to be supported b... Here we have to be... with lion dance."

At New Year the Chi... supposed not to spea... anyone, and they bribe... children with red-dyed ... seeds to keep them ... that they will not offe... rule. Even so, one specta... yesterday's dance com... "Really this is a very ... lion. We do not think m... it. A real one would b... papier-mâché head we... about 140 pounds so ... hardly lift it. This one ... small and tame."

None the less the ... cheered when the lion ... seize at Chinese ca... dangled on strings from ... windows. Many of the ... ings tied outside rest... doorways or suspended ... upper floors were ... with money for the da... sometimes in the tradi... bright red envelopes in ... the Chinese enclose their ... Year gifts and sometime... tied to bits of string.

There must be something ... Sex Discrimination Act ... forbids this. An advertis... for a solarium in The Ob... magazine a week ago sho... man and woman enjoy... mixed sun-bath, he ... nothing but sun-glasses ... wearing nothing at all ... neither revealing anythin... shock. In last week's ... Telegraph the same adve... ment appeared. The ... had now been fitted ... bikini, though the ... mained naked from the ... down.

P...

TIMES PAST THE TIMES
New Printing House Square, London, WC1X 8EZ. Telephone: 01-837 1234

THORPE AND HIS PARTY

e suffered two separate ments last week of more serious was the d County affair. More has attached to the of sexual irregularities s ago. But that allega- been directly and pub- ied by Mr Thorpe, it been supported by any and it came from a man pearance in court on tion did not inspire con- him as a witness. The n should therefore be as unsubstantiated and ot be held against Mr s the leader of a politi-

ondon and County affair erent because the facts nduct are not in dispute use they did reflect on ment as a public man. artment of Trade report, as published last Thurs- not suggest that Mr himself had been guilty mpropriety. But it did his venture into second- king must remain a ry tale for a leading n: "unless he is informed of the affairs ompany he joins he can- e his own judgment on opriety of its trans- Yet when any politi- distinction and experi- ns a board he provides npany with a certificate ctability in the eyes of lic. Individuals may be nvest in it because they suaded by his association that the company is safe. case of a secondary bank a very important con- on. For any politician to ch an endorsement lightly a garage giving a car an MOT certificate without looking underneath.

In the case of *London* and County Securities Mr Thorpe may fairly claim that he acknowledged *an obligation to* the depositors and that none of them lost his money. His misjudgment should not be considered a matter for resignation, though it does expose him to legitimate criticism. Paradoxically, however, these two episodes make it less likely that Mr Thorpe will resign in the near future. If he were to do so now it would most probably be interpreted by public opinion as a *silent confession* to sexual misdemeanours he had strenuously denied in public. That will be fully appreciated by his colleagues who would not wish him to go in such a manner.

Before the events of last week it was evident that Mr Thorpe's time as leader of the Liberal Party was limited. The Liberals may count themselves lucky as a small party to have been led over the past twenty years by two men such as Mr Grimond and Mr Thorpe whose talents ensured that they became national *figures* in their own right. But, as Mr Grimond found, it can be a thankless task to lead a small party in the wilderness for years on end. Mr Thorpe has now been leader since 1967 and a growing feeling has been noticeable within the party that a successor must be found in the not too distant future.

But the party strategists have seen no occasion to rush matters partly because they do not believe that a successor is quite ready yet and even more because they foresee that the next election is likely to be a difficult one for the Liberals. No matter how much they may proclaim that they are the alternative party of the left, the Liberals always find it easier to attract dissident Conservative voters when a Conservative Government is in office than disillusioned Labour supporters under a Labour Government. The best forecast now therefore is that the Liberals may be able to look forward with more hope to the election after next.

It would be poor tactics for the Liberals to produce a new saviour only for him to be a human sacrifice at the next election. Much better for Mr Thorpe, a familiar and still attractive figure for the electorate, to bring his party through that trial in as good shape as possible and then hand on to a successor who could hope to lead them on a steadily upward course from modest beginnings. There is a good deal of logic in these calculations but the question for the Liberals is whether the party will be prepared to play it as coolly as that.

They have been in the process for some months of reexamining their procedures for electing a leader. A working party will present a discussion document to the parliamentary party on Wednesday and if there is sufficient agreement within the different organs of the party specific proposals for changing the constitution will be put to the next party conference in September. This would probably broaden the electoral college beyond the thirteen Liberal MPs, and it is always possible that once the new procedures had been agreed there would be an urge to put them to the test. But there is no reason to believe now that the Liberals would benefit from such an early change of leader.

S GANDHI'S PERSONAL RULE

nposition of rule from the on the Indian state of Nadu is no surprise. Of o states in India under the f opposition parties it has the more critical of Mrs i's continuing emergency, point where Mr Barooah, ongress Party president, l it last month of its dis- behaviour. Mrs Gandhi's emories of that behaviour rom the agitation against doption of Hindi as a al language more than a ago; it was her task then junior minister to resolve nflict. In any case, having ned India's general elec- by a year—the most that xisting constitution allows did not want to extend the of the Tamil Nadu opposi- government or to call ns in that state that ess might lose again. Even er takeover seems unduly itarian *only* a few weeks the state government's te was due to expire.

horitarian *is* a word Mrs i has deeply resented ever she declared the state of ency in June last year. denying any charge that as put an end to India's racy she has defended the ency by pointing to the ry's response to a new dis- e. The evidence offered has that prices have fallen, *corruption* has been much reduced, civil servants address themselves briskly to their duties and above all the decks have been cleared for the necessary economic reforms that will be India's salvation. For the first two or three months of the emergency it seemed only fair to credit the reports that public opinion was indeed braced by the change and that Mrs Gandhi's ends if not her means were wholly praiseworthy.

After seven months this justification for the emergency seems *untenable*. In New Delhi, perhaps, the signs of invigoration can still be seen. Thanks more to the best harvests for many years than to the emergency, free market prices of grain are certainly below those of previous years. But corruption seems to be as bad as ever, indeed, worse by virtue of the emergency since so many powers have accrued to the police that the opportunities for corruption are much wider than before. *Moreover* because of the oppressive measures now in force charges of corruption are harder to bring than before against any government official: the complainant risks being identified with the opposition and thus being whisked into jail.

Another defence for the emergency at its outset was the irresponsible and dangerous character of the unprincipled and ill-assorted opposition parties. Without entirely accepting *this case* it was *nevertheless* reasonable to admit that effective government of India depended upon the Congress Party and that Mrs Gandhi should be given the benefit of the doubt. There were opponents of her action within her own party—who have been sharply dealt with—but for the most part she seemed to carry her party with her as well as mass opinion. This argument for continuing the emergency *has* also *lost* most of its force.

Most obviously the decision not to hold the elections due this spring exposed Mrs Gandhi's unwillingness to put her popularity to the test. Scarcely less plain is the record of press censorship —broadcasting has always been under government control—with the passing only last week of a Bill making current restrictions permanent. Thus no kind of public dialogue nor any adequate or reliable flow of information reaches the literate urban public on whose support and confidence the exercise of government in India must depend. Worst of all are the signs that Mrs Gandhi's leadership in the Congress Party is more and more managed by a cabal of personal advisers, not all of them persons who have won national repute. In short the charge made when the emergency was first imposed—that it was done to prolong and strengthen Mrs Gandhi's personal power—still lies.

vid Wood

ow Mr Lloyd ed to fight other day

retirement tomorrow of Mr n Lloyd from the Speakership House of Commons, command- e respect and admiration alike *l his old friends* and all his nspering enemies, provides me an opportunity to round off a ote to postwar history in which *Times* and I, as its political cor- ondent and columnist, came to e across the world as Grand nol villains.

June 1, 1959, the main report e paper carried the heading: me Minister's plans for Mr yn Lloyd: Easing strain of e: Possible transfer still al months ahead." The narra- begun: "We may safely accept Mr Macmillan has lately taken Selwyn Lloyd's arm in a rnal grip, led him to one side, spoken from the heart. . . Mr millan has let Mr Lloyd know at the Foreign Office, in these bled times, enough is enough." e prose style was dictated by the m conceal the source.)

be home and foreign press, who Mr Lloyd far less good will than er did, totally lost their balance. emier hunts the man with ger", said the *Daily Mail*. lwyn Lloyd report called 'Non- se'", announced the *Daily Tele- ph*. *The Observer* called it "The The Times shot the pianist"; the *Evening Standard* Randolph rchill gave his readers "three pects in this most extraordinary odunit". "Anger at 10 Downing eet", bawled the *Daily Mirror* its biggest type. The *Daily Herald* orted that Mr Macmillan had lered an investigation into the gins of the the report. *Le Monde* s customarily cool, though still cited: "Les rumeurs sur une entuelle 'mutation' de M Selwyn yd dementies"; the *New York mes* said, "British stirred by re- rt of a plan to replace Lloyd". The Danish *Politiken* had a headline across three columns: "*Macmillan* forsvarer Lloyd mod engrebet fra 'Times'."

Back at the Commons the Labour Opposition worked itself up into a synthetic rage. George Wigg announced he would report *The Times* to the *Press Council*; *and Emrys* Hughes, with whom I used to share the journey to Westminster most mornings, waggishly presented a Bill in the House for the nationalization of *The Times*. Hugh Gaitskell was deeply troubled by the report, though he characteristically defended me on the simple grounds that I was a friend of his. Silly officials of the Parliamentary Lobby solemnly considered whether their offending colleagues should continue to be considered *persona grata*.

All in all, the melodrama developed and passed all reason, until Sir William Haley, the Editor, *thundered* in a leading article headed, "Back to sense", in which he reminded politicians and newspapermen about "the functions of *a responsible newspaper*" *according* to the rubric of Delane.

What were the origins of the *report* that the press officers of 10 Downing Street and the whole Government information machine denied, with a willing Fleet Street to believe *every word they spoke*? During May, 1959, at a reception in 12 Downing Street, Mr Heath, as *Government Chief Whip*, said the Prime Minister wished to see me, and led me to him. Mr Macmillan was on the crest of form. Being Prime Minister, he said, was like being a publisher, a man with time on his side, whereas being Foreign Secretary—the most *disagreeable* few months he had ever spent—was like running a daily newspaper, with urgent telegrams flying in for 24 hours a day. Poor Selwyn: he'd stuck it so long and so doggedly. But he had told him there would *be a change*. (*Mr Lloyd became* Chancellor of the Exchequer within a year.)

Nothing Mr Macmillan said presented Mr Lloyd in a disobliging light. Nor did *The Times* report. If Mr Macmillan had any personal *complaints* about *the* report he wholly concealed them when I sat opposite to him at luncheon in Carlton House Gardens while the worldwide press fury was at its height. Indeed, the only amiable blow he then struck at the press he aimed at the *Daily Mail* and Lord Rothermere, whom he persisted in calling Lord Tanfield, after the name of the paper's gossip column. Nor did Dr Charles Hill, then in charge of Government information, deny the report when he asked me to his room at the Commons to be very friendly. "You do it to us", said the good doctor, "and now we have to do it to you." Who *could complain* at *that*?

Nobody came out of the affair with more dignity and good humour than Selwyn Lloyd. Some time later he asked me to luncheon at his home, and he explained, his bright eyes sparkling more than usual, that *The Times* had done him a service he would always be grateful for. On June 1, 1959, he had been in Geneva for a foreign *ministers'* conference to prepare the way for a summit meeting. Foster Dulles and the American delegation, still rankling from the Suez affair, had been on the coldest of terms with him for a long time. At about 8 am the first edition of *The Times arrived* in Geneva, and by 8.30 am the whole American delegation had gone round to Mr Lloyd's hotel to assure him that they would do anything they could to help him. Anglo-American relations had been restored at a *felicitous time*.

It seems to me the happiest outcome that Mr Lloyd should have ended his Commons career as Speaker enjoying the trust and respect of everybody who works and has his being in the Palace of Westminster. No minister in postwar years has been savaged so much as he by the House and the press because of Suez, and a man of weaker fibre would have been destroyed years before he could come both into the Chair and into his deserved inheritance of genuine popularity and acceptance at true worth. There is scarcely a facet of contemporary high politics on which he has not made his impact since he first went to the front bench as Anthony Eden's Minister of State in *1951*, and in an important sense, alike in his achievements and his failures, he may serve as the archetype of postwar politicians.

He said to me on Friday that there is no point in being in politics unless you like people. He leaves *the Commons* knowing that his liking has been returned manifold.

LETTERS TO THE EDITOR

Test of driving, not literacy

From Lady Plowden

Sir, The Minister of Transport says he is thinking about introducing to the driving test a written examination on the highway code. This may seem attractive to many people with a genuine concern for road safety, but it would be disastrous for the great many of Britain's 2,000,000 functionally illiterate adults who would thus be debarred from driving. As a result, their lives would be needlessly constricted, their job opportunities needlessly reduced.

A great many people in severe literacy difficulties are driving with *perfect confidence and safety. They* could not tackle a written examination on the highway code even thought they know it thoroughly and can recognize and interpret standard road signs.

Although they naturally have problems interpreting road maps, and would find it difficult to learn about car maintenance from a book, there is no reason why they cannot drive as safely as anyone else.

We must accept that a large number of adults are at present functionally illiterate and while we work to provide them with tuition any forms of conscious or unconscious discrimination which will make it even more difficult than it now is for them to take an active part in society must cause concern.

One minority who would be particularly *affected* by an insistence on a written examination would be the gypsies, for the majority of whom the driving of lorries and vans is essential to their being able to earn a living and support their families themselves.

Yours faithfully,
BRIDGET PLOWDEN,
President, National Committee for Adult Literacy.
Chairman, Advisory Committee for the Education of Romany and Other Travellers.
7 Cottesmore Gardens, W8.
January 30.

Disciplined parents

From the Head Master of Downside School

Sir, In the House of Lords debate last week on juvenile crime Lady Macleod of Borve, among others, blamed *parents*. She is reported as saying (*The Times*, January 22) that "if teachers and social workers did not teach what good parents thought right for their children, those children would become indisciplined parents and perhaps break the law themselves".

We appear to be in a vicious circle. Children from homes where there is little discipline and even less concern for education will, not surprisingly, create similar homes for their own offspring. Without the support and encouragement of parents, schools can only do a very limited amount to help, for children who don't want to be at school and who resent all forms of authority are not easy to teach.

How is this circle to be broken? If we look for the period in a person's life when he is most likely to be receptive and interested and perhaps even ready to learn something might it not be found at the time when he is seriously contemplating marriage? Many people still recognize at least something of the seriousness of undertaking married life and are often very ready to make some effort to prepare for it. A great number of churches and institutions run courses for engaged couples. Would it not be possible for the government to sponsor courses for all engaged couples in which the responsibilities and duties of being a parent would be emphasized? Many an "unteachable" and bored 15-year-old might be more interested a few years later in attending such a course together with wife or husband-to-be.

Yours faithfully,
RAPHAEL APPLEBY,
Downside School,
Stratton-on-the-Fosse,
Bath, Somerset.
January 27.

Living together

From Mr H. Beresford-Webb

Sir, The case of C v C reported in *The Times* (January 24) under the heading "Pre-marital co-habitation no part of marriage" underlines the "head in the sand" attitude taken by the law towards the whole question of people living together *without being formally married*. As a practitioner in the field of family law I find this attitude both scandalous and hypocritical.

The law has a duty to encourage responsible behaviour on the part of all members of society. By insisting that marriage is the only way in which the law will recognize the sexual union and cohabitation of man and woman, it simply fails in this duty.

The ceremony of marriage is one way of making the parties think about what they are doing and how *they* should behave, but it is not essential. There are many "common law" marriages which are successful and where the parties *adopt* a responsible attitude to each other and to the children.

People who live together as man and wife without being married should be entitled to have the same remedies and protections that the law provides for married people. It would not be that difficult to provide a satisfactory formula for *defining such a relationship*.

At present a "common law" wife has no legal right to maintenance for herself, can only obtain maintenance for the children through affiliation proceedings in the magistrates' courts, has no legal right to reside in the "family home" if it is not in her name, and has no legal right to any part of the family assets by way of recognition of her unpaid services as a mother and housewife.

The law requires urgent amendment. At the same time the decision in C v C should be reversed to the extent that pre-marital co-habitation would normally be treated as part of the marriage unless the facts of the particular case make it unreasonable to do so.

Yours faithfully,
H. BERESFORD-WEBB,
3 Southbourne Gardens,
Lee, SE12.
January 26.

The control of pornography

From Mr Jack Pulman

Sir, This once pragmatic country of ours has become obsessed with theories—in education, in politics, in economics, in theatre. We have abandoned common sense and the evidence of our own eyes. As a result, total confusion reigns everywhere, and nowhere more than on the subject of pornography.

The nation spends millions improving the *physical and cultural* environment of its people presumably in the belief that better people are more likely to be produced by a good environment than a bad. Is it not common sense to believe that the reverse is also likely to be true, that people can be made worse by a bad environment? Have we not seen whole nations corrupted in this way—old Rome and Nazi Germany, for *instance*—and classes *within* nations? We pass race relations laws and sex discrimination laws and all sorts of other laws to ensure that man's worst features are not allowed to destroy the environment which his better side knows he must build. Why, then, should it horrify those who imagine themselves in the vanguard of enlightenment to contemplate laws governing what might be shown or written?

I know that many writers were once in favour of the abolition of all censorship. I am not so sure *they would be now that they have* seen what it has done to their profession. We are all, now, under pressure either from outside or within ourselves to include gratuitous sex in our work as a selling aid. It is deeply resented.

I am sure that everyone would be against political censorship in any form. But pornography? I think there is a difference. People always say it is too complicated to work out the rules. Well, for starters, as they say, why not, in any pictorial representation, simply ban full nudity and simulated copulation? We did without them for 400 years and produced some wonderful theatre and films. Can those who defend the licence of the last 10 years point to anything that matches that achievement? Are they ever likely to be able to?

As for the written word, this is more difficult, but I doubt if the courts are a suitable place to determine these questions. The law is too difficult to interpret and a judge and a jury of 12 totally incompetent to judge the complex issues involved. It is *also* vastly expensive and works under the glare of full publicity. A permanent but revolving committee of men and women, drawn from all walks of life, should not find it difficult to judge real pornographic intent as distinct from a proper use of the materials of life. Mostly, it really is common sense, and if we lose a little of our freedom will there not be a massive gain in the proper use of the nation's physical and mental resources? And is that not in the nature of all good laws?

Yours faithfully,
JACK PULMAN,
31 Steele's Road, NW3.
January 30.

From Mr Norman Gear

Sir, One must deplore your hysterical, if predictable, reaction to the acquittal of the Linda Lovelace book (leader, January 30). What is interesting, however, is that your argument runs counter to a philosophy which has recently found much expression in your pages—I mean the philosophy of individual choice and an open-market society.

In matters of vital concern to all —food, housing, education, medicine, employment/unemployment and so on—you have placed much emphasis on the virtues of personal decision and the balancing qualities of the principle of supply and demand.

Why should not the trade in pornography be exposed to the same testing conditions? If the demand for it is small it will die away. If the demand for it is large, why, in a democratic "market" society, should it be frustrated?

Cigarette smoking and alcohol drinking—addiction to which can be very dangerous indeed—are deplored but not forbidden. Why should not pornography be treated the same way, with, if you will, a government warning on the cover?

Yours sincerely,
NORMAN GEAR
88 Plymouth Road,
Penarth, Glamorgan CF6 2DL.
January 30.

Fish farming

From Sir Charles Hardie

Sir, Mr George Jellicoe (January 30) has highlighted a matter of *national* interest in urging a programme of research into fish farming. This company, you may be glad to know, is well advanced in a programme of research along the lines he advocates. The human race long ago abandoned hunting buffalo and for generations has developed poultry farming on an intensive scale. It is only a matter of time before it will become "old hat" to hunt the fish.

Commercial volumes of fish farming are already in sight. The luxury, salmon, is already in substantial production and, using the warm waters of our power stations and the pure waters of our lochs, the more humble turbot and sole are now coming forward in some quantity. An export trade in oysters has already been established.

The next stage (cf poultry years ago) shows all signs of development. A most active association of companies, including ourselves, has already been welcomed into the *National Farmers' Union* as a specialist branch.

We all welcome the initiative of the more enlightened Members of both Houses of Parliament to persuade HMG to support on the same footing as agriculture in terms of *grants* and *suitable reliefs this new* industry.

Yours truly,
CHARLES HARDIE,
Fitch Lovell Ltd,
1 West Smithfield, EC1.
January 30.

Knowledge of Russia

From Mr Marcus Alexander

Sir, As Captain of Westminster School I was most intrigued by the comments of Mr Mikhail Ozerov (January 29) relating to the ignorance of Westminster boys about the Soviet Union. His information was based largely on a conversation held with a few friends and myself over coffee in my study, but my memories of the occasion clearly do not match *his*. *After asking us some* simple questions he seemed pleasantly surprised that we also knew such things as how many republics there were in the Soviet Union, how many Soviet soldiers had died in the Second World War, etc. Indeed, *several* of us at the school are now studying Russian language and culture under masters who have spent considerable periods of time in the USSR.

Mr Ozerov's parting comment to me was one of interest and delight at the "unusual depth" of knowledge shown by the boys *generally*.

I noticed in his article that one factory worker he had talked to imagined *Pravda* to be the only Soviet newspaper; Mr Ozerov scoffed at this, and in the light of his other comments one must indeed conclude that the importance of *pravda* in Soviet journalism is declining!

Yours faithfully,
MARCUS ALEXANDER,
College,
Westminster School,
3 Little Dean's Yard, SW1.

From Mr P. Jenkins

Sir, With regard to Mr Mikhail Ozerov's complaints about British education, might we be given some examples of the teaching in Russian schools of modern western authors' works; of western history; of western cinema art; of western modern art; and the existence of newspapers which give other than "meagre and slanted coverage" of western affairs.

Perhaps Mr Ozerov could also provide us with a Russian translation of an old English adage involving glass houses.

Yours faithfully,
P. JENKINS,
Vine Cottage,
Bateman Street,
Headington, Oxford.

Refusal of parole

From Mr Michael Farmer

Sir, Your Home Affairs Correspondent, Peter Evans, in the issue of January 23 considers the question of the Parole Board being required to give reasons for the refusal of parole to prison inmates. May I point out that this is just one of the many areas in which there is lacking a requirement that administrative and judicial decision-making bodies give "proper and adequate" reasons for their decisions, judicial sentencing being but one further example.

As long ago as 1932 the Scott-Donoughmore Committee on Ministers' *Powers recommended* that such a general requirement become a principle of natural justice. Administrative law is sadly neglected when it comes to statutory reform. The Law Commission's voice has yet to be heard.

Both political parties in recent years have stressed the need for more open administration. Being required to give an explanation is one aspect in which that proclaimed faith can be put into practice quickly and effectively.

Yours faithfully,
MICHAEL FARMER,
Sidney Sussex College,
Cambridge.
January 24.

Young social workers

From Miss Olive Stevenson

Sir, In your leading article following the death of *Steven Meurs* (January 16), you wrote of the need for "more scepticism and less commitment" on the part of social workers. The comment saddened me, especially since much of what preceded it was helpful. Perhaps you meant *more "realism" and less "over-involvement"*? This is not a semantic quibble. It is fundamental. Heaven forbid social workers should approach those in trouble sceptically, when their work is founded upon the creation of a trusting relationship. And commitment is at the root of the whole activity. If you accept my words instead, then indeed these are qualities which tend to increase with age. (But let us remember wisdom does not follow age, as night follows the day.)

But at present the media (though not *The Times*) and the general public are displacing much of their anger and guilt upon *young* social workers. It is convenient and fits well with the wider generational clash. I have trained young social workers for 15 years and have the greatest respect for their unpretentious, enthusiastic concern for those in trouble. Younger and older recruits have made valuable contributions to the service. We need both. *Life* experience is not to be devalued but it is as well to remember that, whatever age one *enters social work and even* if one has been married and had children, one encounters complex situations and raw emotions which one may never have met before.

But social service departments have been unable to provide the support inexperienced workers (young or middle-aged) need to develop their understanding of *people and avoid the pitfalls* of over-involvement. Nor is it the fault of their seniors who are often themselves two years later.

The answer lies, not in throwing more and more trained social workers to the lions. It lies in investment of considerable resources to improve professional supervision and management, including the development of post qualifying specialization. The matter is very serious if social work is not to be unjustifiably discredited.

Yours sincerely,
OLIVE STEVENSON, Reader in Applied Social Studies,
Department of Social and Administrative Studies,
University of Oxford,
4 George Street,
Oxford.

Overbooking by airlines

From Mr A. J. Lucking

Sir, There is one more argument in favour of overbooking which your Air Correspondent did not emphasize in his admirable summary of the problem (January 26). For every passenger who is "bumped", several hundred obtain bookings on the flight of their choice, which they will be denied if overbooking is abolished. British Airways Overseas Division say that they "bump" one person in 10,000 as a result of their policy, or about one person every other day at Heathrow. By contrast, on certain days, they carry an extra 200 or more persons who were overbooked for their flights.

Moreover, it is not only businessmen who make multiple bookings. Schoolchildren returning to overseas homes often make up to three firm bookings, and wait list themselves on other flights. Their parents, and the school, sometimes make yet more bookings! Additionally, British Airways *European* Division *say* that their agents and other airlines cause twice as many "bumpings" as their policy.

Even if all this was stopped somehow, or penalized, and the evidence is that the clerical work would be totally uneconomic, there would remain a great many unused seats because people miss their connexions, fall sick, mistake the time, or are caught in traffic jams, etc. At present, many of these seats are sold to people who need them, as a result of the sophisticated *statistical overbooking* techniques.

Nevertheless, when one is a victim, one should be paid heavy compensation, even for short delays. If the numbers oversold are so small, the airlines can well afford it. The present proposals are far too mean

Yours faithfully,
A. J. LUCKING,
Flat 20,
17 Broad Court,
Bow Street, WC2.

Overseas students

From Professor A. N. Black

Sir, Professor Fage (January 27) *states* that the proportion of students coming to our universities from overseas does not seem to be increasing. The figures from UCCA reports contradict this. They show that both the number of overseas undergraduate students admitted each year and the percentage of the admissions coming from overseas has been rising steadily for the past eight years with the single exception of 1968. There is no reason to suppose that when the next UCCA report appears next week this trend will not be seen to continue.

The figures are:

Year	overseas admissions	per cent of total
1967	2,079	3.7
1968	2,518	4.5
1969	2,270	3.9
1970	2,332	3.9
1971	2,648	4.2
1972	3,049	4.8
1973	3,672	5.6
1974	4,3[illegible]	6.6

Yours faithfully,
A. N. BLACK,
Little Pensbury,
Compton Street,
Compton, Winchester.
January 27.

Unsolicited mail

From Mrs Jan Matthews

Sir, I thought it most strange that your correspondent Adam Fergusson (article, January 29) should have called in his lawyers, just because his young son is on a firm's mailing list. I thought it even more strange that you should have given valuable space to such a trivial complaint.

For there was no allegation that the firm sent improper material, nor that it engaged in inertia selling, nor that it sent dunning or threatening letters. In fact, the only cause for complaint seemed to be that the advertisements came with rather unwelcome frequency.

Most of us—even a few nine-year-olds—are on some kind of mailing list and receive unwanted promotional material. The normal reaction is simply to consign it to the dustbin and forget about it. Few of us would consider this a matter for lawyers or for the columns of *The Times*.

Yours faithfully,
JAN MATTHEWS,
Four Chimneys,
Park View Road,
Woldingham, Surrey.

From Lady Strathcona and Mount Royal

Sir, Adam Fergusson's excellent article on "*The unwelcome behaviour of a mail order medalmonger*" prompts me to share with your readers my method of dealing with these pests, which is 100 per cent effective. Take the unwanted material—letter, circular, book on approval, or sample—put it in an envelope and return it to the sender without stamps. The GPO will then collect double the true postal charge from the addressee. I would advise putting the words "First Class Mail" in the top left hand corner of the envelope to ensure that it is the top rate that is doubled. And, of course, for economy, use the sender's own envelope merely crossing out your name as addressee and substituting his.

You won't hear from him again.

Yours *faithfully*,
JANE STRATHCONA,
89 Barkston Gardens, SW5.

Olympics invocation

From Sir Edmund Compton

Sir, Your Olympic Games correspondent (January 29) suggests that the IOC *president*, in *dealing* with "all those little *local* problems", might benefit from the thought: "'O God, O Canada', as the poet Walt Whitman once reminded us".

Lord Killanin might get more help from another poet who came closer to the location of the problems, and added the link with the Hellenic spirit of the Games, Samuel Butler: "O God! O Montreal! Preferrest thou the gospel of Montreal to the gospel of Hellas?"

Yours faithfully,
EDMUND COMPTON,
53 Evelyn Gardens, SW7.

COURT CIRCULAR

BUCKINGHAM PALACE
February 1: Divine Service was held in Sandringham Church this morning. The sermon was preached by the Bishop of Guildford.

Mr George Bushell and Mr Harry Humphrey had the honour of being received by The Queen at Sandringham today when Her Majesty decorated them with the Royal Victorian Medal (Silver).

Emeritus Professor and Mrs C. W. Ottaway much regret that they were unable to attend the memorial service for Sir James Gray in King's College Chapel, Cambridge, on Saturday.

Birthdays today

The Most Rev S. Y. Blanch, 58; Major-General R. H. Farrant, 67; Mr Jascha Heifetz, 75; Sir Evan Jenkins, 80; Dame Alix Meynell, 73; Major-General R. P. H. Nalder, 71; the Right Rev Dr J. H. L. Phillips, 66; Lord Reigate, 71; Sir Alfred White, 74.

Christening

The infant son of Lieutenant-Colonel and Mrs Shaun Longsdon was christened Charles Edward by the Rev Peter Jeffries at Ampney St Peter Church yesterday. The godparents are Major Christopher Grose, Captain Andrew Cumming, Mrs Freddie Wills and Mrs Jonathan Buxton.

Today's engagements

The Queen, accompanied by the Duke of Edinburgh, opens National Exhibition Centre, Birmingham, 11.
Exhibition of King George V stamps and proofs, Gibbons Gallery, The Strand, 9.45-4.45.
Memorial service: Sir Frank Milton, Lincoln's Inn Chapel, 5.

Luncheon

Lord Mayor of Belfast
The Lord Mayor of Belfast and the city council gave a reception and luncheon at the City Hall, Belfast, on Saturday for members of the 7th and 10th (City of Belfast) Battalions of the Ulster Defence Regiment. The guests included Lieutenant-General Sir David House, GOC, Northern Ireland, General Sir John Anderson, Colonel Commandant of the UDR, and Brigadier Harry Baxter, commandant.

Dinner

Women's Society of the Institute of Chartered Secretaries and Administrators
The annual dinner of the Women's Society of the Institute of Chartered Secretaries and Administrators was held at the Café Royal on Saturday. Miss Sheila Scott was the guest speaker and Miss Sylvia I. M. Tutt, president, was in the chair.

Service dinner

The Royal Regiment of Fusiliers
Officers of the Fifth (V) Battalion of The Royal Regiment of Fusiliers, T & AVR, dined out their commanding officer, Lieutenant-Colonel B. Aldridge, at the battalion headquarters in Keresley, Coventry, on Saturday night to mark his relinquishing command.

Tensions that thwart efforts for church unity

By Clifford Longley
Religious Affairs Correspondent

The cause of Christian unity, which has just been saluted by the annual Week of Prayer, continues to be ground between the upper and nether millstones of impatience and inertia. Recent developments, and non-developments, illustrate how either of these two moods could throw off course the progress of the Churches' Unity Commission's work.

The Week of Prayer, otherwise notable only for evidence of slightly more enthusiastic Roman Catholic participation in some places, was the first to take place since the commission came to close grips with ecumenism and early last month published 10 propositions.

The commission has not yet, through no fault of its own, captured the imagination of the churches, and the propositions have generated no great controversy so far. Perhaps enthusiasm for organic Christian unity has foundered on the rocks of frustration and disappointment, so that it is weary cynicism rather than sectarian passion that is now the major obstacle.

Impatience with the slow grind of official machinery lies behind the position adopted by the Sheffield-based Urban Theology Unit, an Anglican and Nonconformist group which has complained that "official" ecumenism is sometimes the enemy of "real" ecumenism. Local ecumenical projects have suffered from too much official supervision from outside, the unit told the Churches' Unity Commission in November. Local initiative has been hampered, whereas a true sense of unity grows out of continuous innovation and experiment.

The unit's insistence on the experience of unity at the local level was echoed in the commission's own report, though there appeared to be a difference of emphasis on the role of local ecumenism. It can either be seen as the all-important growing point, as the unit would insist it is, or as a necessary corollary of national ecumenism to the extent that national schemes would not work without local support.

The unit urged that denominational restrictions on local initiative should be relaxed, and gives as examples the rules controlling who may preach or celebrate in which church, and when. It is in that spirit, but quite independently, that the Roman Catholic parish priest of Burnham, near Slough, has announced that he intends to disregard denominational barriers in the near future.

Father David Woodard, writing in *The Tablet*, states: "I am proposing that at St Andrew's Shared Church, Cippenham, the distinction between Anglicans and Catholics at the respective eucharists should not be observed after Maundy Thursday this year for anyone in the two communities who so wishes." He challenges any theologian to persuade him his reasons are faulty, and meanwhile he awaits some word of prohibition from his bishop.

Father Woodard's experience of close harmony with the local Church of England parish has brought him to believe that the present "official" limits to ecumenism have become meaningless in the context of a shared church. The same sort of experience has led to the introduction of joint church membership in three "areas of ecumenical experiment" in Bristol, Liverpool and Derby. In those areas the Church of England, the Methodists and the United Reformed Church have agreed that new members who so wish can be enrolled (and in the Anglican case, episcopally confirmed) as members of each of the three churches simultaneously.

That administratively tidy arrangement raises theoretical problems about the nature of church membership, which become practical problems if one of those multiple-church members leaves the district and seeks simultaneous membership of three separate congregations.

One of the propositions put forward by the commission would, if accepted by the Church of England, the URC and the Methodist Church, apply the multiple membership principle across the country, as an interim stage towards some kind of organizational unity. The whole country would become what the "areas of ecumenical experiment" are now, except that the closeness brought about by shared church buildings and ecumenical team ministries would be lacking.

One of the tensions that the Churches' Unity Commission and the churches themselves have to face is generated by the contrast between the ardour and enthusiasm of the minority of churchmen who have experienced united church life at first hand, and the majority for whom it is little more than an idea. As time passes the size of the minority will grow, and become more ardent, and hence more impatient with the status quo.

It may happen that in the later stages of the journey towards unity officialdom will find it increasingly difficult to maintain control and a temporary phase of ecumenical anarchy will ensue. A very light touch on the steering wheel will be required if the end result is not to be a host of new divisions, of churches-within-churches and sects within sects.

Forthcoming marriages

Mr N. L. Dickens and Miss E. K. M. Hayward
The engagement is announced between Norman, eldest son of Mr and Mrs Leonard Dickens, of 5 The Beacons, Loughton, Essex, and Eleanor, second daughter of the late Mr Gerald Hayward, MBE, and of Mrs Gerald Hayward, of Fauchons House, Bearsted, Kent.

Mr P. D. Holroyd Smith and Miss J. A. Heneage
The engagement is announced between Peter David, elder son of the late Group Captain Philip Holroyd Smith, OBE, and of Mrs Ian Lines-Farr, of the Hermitage, Coltishall, Norfolk, and Jenifer Ann, only daughter of the late Colonel Neil Heneage, OBE, OL, and of Mrs Heneage, 114 Sloane Street, London, SW1.

Mr R. H. Young and Miss M. F. Truelock
The engagement is announced between Richard Howard, only son of Mr A. R. Young, and the late Mrs K. Young, of 33 Richmond Road, Redcar, Cleveland, and Mary Florence, youngest daughter of Mr and Mrs A. Truelock, of 41 Thorngrove Road, Wilmslow, Cheshire.

Mr M. B. G. Hirsch and Miss S. D. M. Geddes
The engagement is announced between Michael, son of Mrs Carmelita Hirsch and the late Mr Peter Hirsch, of Ealing, London, and Susan, daughter of Mr and Mrs G. I. Geddes, of Oakham, Rutland.

Captain T. T. R. Lort-Phillips and Miss E. P. Buxton
The engagement is announced between Captain Thomas Lort-Phillips, Grenadier Guards, son of Lieutenant-Colonel and Mrs Patrick Lort-Phillips, of Bardennoch, Moniaive, Dumfriesshire, and Elizabeth Buxton, daughter of the late Mr John Buxton and of Mrs Buxton, of Newhouse Farm, Wareside, Hertfordshire.

Mr J. S. Taylor and Miss A. M. Scragg
The engagement is announced between John Stuart, eldest son of Mr and Mrs H. C. Taylor, of La Buette, St John, Jersey, Channel Islands, and Angela Mary, only daughter of Mr and Mrs F. Scragg, of Loge du Tisserand, Trinity, Jersey, Channel Islands.

Mr R. E. T. Storey and Mrs S. F. Hutton
The engagement is announced between Trevor Storey, of 36a, Roehampton High Street, SW15, and Susan Hutton, of 7 St John's Road, Wimbledon, SW19.

Marriages

Mr C. D. Collins and Miss S. A. Lumb
Princess Anne and Captain Mark Phillips were present at the marriage of Mr Christopher Douglas Collins and Miss Susanne Lumb, which was solemnized yesterday at East Markham parish church, Nottingham. Canon R. Warburton and the Rev Frederick Wright took part in the service.

The bride, who was given in marriage by her father, was attended by Philip Oliver, Alexander Murray Threipland, Miss Lucy Abel Smith and Miss Cilla Backhouse. Mr Benjamin Collins was best man. A reception was held at the home of the bride.

Mr A. F. Stewart and Miss J. A. George
The marriage took place on Saturday at Farm Street Church of Mr Andrew Stewart, eldest son of Sir Dugald and Lady Stewart, of the British Embassy, Belgrade, Yugoslavia, and Miss Jacqueline George, daughter of Mr and Mrs Carl George, of 22 Down Street, W1. Father Peter Blake officiated.

The bride, who was given in marriage by her father, wore a princess-style gown of white faille and her headdress was held in place by clusters of lilies-of-the-valley on a plaited band. She was attended by James and Hugo Lindsay and Chloë Hayward. Mr Christopher Mills was best man.

A reception was held at the home of the bride and the honeymoon will be spent in Italy.

Mr R. G. d'Abo and Mrs J. M. V. Cadbury
The marriage took place quietly in London on Friday between Mr Robin Gerard d'Abo and Mrs Jennifer Mary Victoria Cadbury (née Hammond-Maude).

Mr Christopher Collins and Miss Susanne Lumb after their marriage at East Markham Nottingham, yesterday, which was attended by Princess Anne and Captain Mark Phillips.

Catholic parents 'may be failing in duty'

Roman Catholic parents who needlessly send their children to non-denominational schools may be failing in their duty, the Roman Catholic Archbishop of Glasgow, the Most Rev Thomas Winning, says in a pamphlet distributed to families attending Mass in Scotland yesterday.

"Some Catholic parents have their children educated at non-denominational schools, despite the existence of a Catholic school in their locality. I doubt if any of those parents have any serious criticism of Catholic education in its theory or presentation, but are they fulfilling their duty to their children?

Pond restored from rubbish tip wins award

A village pond restored after being used for 30 years as a rubbish dump has become the national winner in a "Save the Village Pond" awards scheme. The half-acre Swelling Hill Pond, Four Marks, near Alton, Hampshire, was cleared in less than a year.

The runner-up, Mound Pond, at Earls Colne, near Colchester, was a war-time excavation.

Other regional winners were: Bellinge Ponds, near Northampton; Widmore Pond, Sonning Common, Berkshire; Forest Green Pond, Forest Green, Abinger, Surrey; and Will Pool, Lazonby, Penrith, Cumbria.

The awards are made by *The Daily Telegraph* in support of the campaign organized by the British Waterfowl Association.

£50,000 winner

The weekly £50,000 Premium Savings Bond prize, announced on Saturday, was won by number 5 PF 253479. The winner lives in Kent. The 25 £1,000 winners are:

[illegible]

Latest wills

Latest estates include (net, before duty paid; duty not disclosed):
Dormer, Lord, of Warwick .. £149,389
Phillips, Mr Stanley Julius, of Cannes, France, and formerly of St John's Wood, London, company director, estate in England and Wales £284,826
Thompson, Mr Herbert Gotts, of Ilkeston £125,075

Backing sought for new sugar beet factory

Agriculture

Hugh Clayton

Farmers in Cheshire and Lancashire have been asked to support construction of a factory to process sugar beet at Newton-le-Willows, Merseyside. The appeal has not come, as might be expected, from the British Sugar Corporation, but from Manbré and Garton.

The corporation, a publicly quoted company in which the Government has a stake of more than a third, was formed to buy all sugar beet grown in the United Kingdom. Manbré and Garton process only cane from abroad.

The latter company has said that if it can find enough farmers to grow beet near Newton-le-Willows it will ask the Government for permission to build a beet factory there. If it does that it will ask for state aid for the project and will probably also question the expansion planned for the next five years by the corporation.

Mr Frank Cureton, county secretary for Cheshire of the National Farmers' Union, said that his members fully supported the Manbré and Garton plan. "I would think that the acreage they want would be subscribed", he said. "We have circulated all our members in the past week and we have been quite heartened by the early replies."

The appeal to farmers was made by the Sankey Sugar Company, a subsidiary of Manbré and Garton which refines cane at the present Newton-le-Willows plant and sells sugar in shops under its own name. A spokesman for Sankey said that more than 30,000 acres would have to be subscribed for beet to justify building a factory that would cost £15m. The company wanted to start its beet business in 1979.

It questioned the plans for expansion and modernization of some of the factories of the corporation, he went on. That was because expansion would have to be directed into marginal land on the fringes of areas near existing beet factories. Those areas already had large beet acreages while suitable land in north-west England had very little.

Asked if cane would still be refined at Newton-le-Willows if a beet factory was built, the Sankey spokesman said: "That is a question which I can not answer." He added: "I do not want to make any comment that will cause conflict between us and the British Sugar Corporation."

Mr David Kerr, a director of Manbré and Garton and managing director of Manbre Sugars, another subsidiary, said: "Being rather ignorant in agriculture, we thought the North-West was a marginal area, but it seems that it is not. There is a beet field hard next door to the Sankey refinery."

Sugar is an exceptional foodstuff because it is derived from two quite different vegetable sources. One is cane, which cannot be grown in the EEC, and the other is sugar beet. Enough of that is grown in the Community to meet more than nine tenths of its sugar needs.

Membership of the EEC has obliged Britain to sever its traditional links with cane-producing countries. Although the EEC is committed by the Lomé Convention to allowing access to more than a million tons of cane a year, the scope for British cane imports has been permanently reduced.

Not only is more cane coming in, but the British Government is committed in its White Paper, *Food from our own Resources*, to enlarging the acreage of beet.

That is why the British Sugar Corporation decided to modernize factories so that in five years it would be able to handle enough beet to meet half of Britain's annual sugar consumption of about 2.5 million tons. Do present capacity it cannot process more than a third of total British sugar consumption.

There are two cane companies in Britain, each with a refinery in London, Scotland and north-west England. Manbré and Garton is the smaller of the two. The other is Tate & Lyle, which processes more sugar than anyone else in the country.

The state of play in sugar so far is therefore as follows. Decisions have been made to reduce British supplies of cane and to enlarge output of beet.

The British Sugar Corporation and Manbré and Garton have each announced their first reactions. Tate & Lyle has said nothing in public. Trade unions, which have more than 10,000 members in sugar factories and refineries, have also been silent. They are unlikely to remain so for long.

Memorial service

Sir Philip Toosey
The Lord Lieutenant of Merseyside, Sir Douglas Crawford, read the lesson at a memorial service for Sir Philip Toosey which was held on Saturday at the Church of Our Lady and St Nicholas, Liverpool. The Rev Donald Gray officiated and prayers were led by Mr Raymond Rossiter. Mr John Bromfield gave an address. Among those present were:

Lady Toosey (widow), Mr and Mrs Patrick Toosey and Mr and Mrs Nicholas Toosey (sons and daughters-in-law), Mr and Mrs Peter Summers (son-in-law and daughter), The Lord Mayor of Liverpool, the Chief Executive of Liverpool Corporation, the Chief Executive of Merseyside County Council and Lady Holmes, Lord Cole, Lord Pilkington, Lord Ashburton, Lord Holdick of [illegible] with Mr N. Baring and Mr P. Baring (representing Baring Brothers), Mr Selwyn Lloyd, QC, MP, Sir John and Lady Nicholson, Sir Henry Lumby (representing the Lord Lieutenant of Lancashire), Sir Lindsay Alexander (chairman, Ocean Transport and Trading) and Lady Alexander, Sir John and Lady Tilney, Sir Richard and Lady Summers, Sir Andrew Carnwath, Brigadier H. C. Servaes, Colonel [illegible] McLellan, Lieutenant-Colonel R. G. Lees (representing director general, Economic League).
Sir Trevor Thomas (Vice Chancellor of Liverpool University), Mr I. M. Churches (general manager, P & O Ferries), Mr and Mrs J. Malcolm Harrison, Mr I. A. M. Johnson (representing vice-president, Liverpool School of Tropical Medicine), Mr A. Claster, Mr John R. Turner, Colonel F. Masters, honorary colonel, and officers of the Lancashire Artillery, trumpeters of the Royal Regiment of Artillery and ex-servicemen representing many branches of the Far Eastern Prisoners-of-War Association.

The Queen and the Duke of Edinburgh will attend the Calcutta Cup match, Scotland versus England, at Murrayfield, Edinburgh, on February 21.

Parliamentary diary

House of Commons

Monday, January 26: Debate on mental health services. Debate on municipal trading and direct labour; motion rejected by 278 votes to 255. Motion on Financial Assistance for Industry (Increase of Limit) (No 2) Order agreed to by 279 votes to 254. Adjournment debate about a sub-post office in Edmonton. House adjourned, 12.27 am (Tuesday).

Tuesday, January 27: The following private Bills read second time: Australian Estates Company; Nottingham City Council; River Medway (Flood Relief); Scottish Amicable Life Assurance Society; Standard Life Assurance Company; and Tees Tunnel Bill. Statement on price restraint. Requisitioning of Empty Properties Bill read first time by 224 votes to 184. Trade Union and Labour Relations (Amendment) Bill, debate on suggested amendments and read third time by 287 votes to 247. Adjournment debate about housing in Luton. House adjourned, 11 pm.

Wednesday, January 28: Statement by the Prime Minister on Icelandic fishing dispute. Education (Married Persons of Compulsory School Age) Bill read first time. Prevention of Terrorism (Temporary Provisions) Bill passed the report stage and read third time by 118 votes to 11. National Coal Board Bill passed remaining stages. Adjournment debate about potato shortage. House adjourned 2.43 am (Thursday).

Thursday, January 29: Debate on employment; Opposition amendment rejected by 289 votes to 253 and main motion agreed to by 253 votes to 2[illegible]. Adjournment debate about sea defences at Whitstable and Herne Bay. House adjourned 10.59 pm.

Friday, January 30: Private member's motion on problems of the self-employed and small businesses, motion agreed to. Adjournment debate about bus services in rural areas. House adjourned 4.30 pm.

House of Lords

Tuesday, January 26: Debate on motion to take note of White Paper on Devolution for Scotland and Wales; debate adjourned. House adjourned 12.23 am (Wednesday).

Wednesday, January 27: Debate on motion to take note of White Paper on devolution for Scotland and Wales; motion agreed to. Trade Union and Labour Relations (Amendment) Bill read first time. House adjourned 11.43 pm.

Thursday, January 29: Trustee Savings Banks Bill, Insolvency Bill, and Fatal Accidents and Sudden Deaths Inquiry (Scotland) Bill read third time. Education (School-leaving Dates) Bill passed report stage. Solicitors (Scotland) Bill read second time. Rating (Caravan Sites) Bill passed committee stage. Third reading of Divorce (Scotland) Bill deferred. Debate on EEC report on nuclear safety. House adjourned 9.5 pm.

Parliamentary notices

House of Commons

Today at 3.30: Debate on procedure. Motion on Community Land (Excepted Development) Regulations.
Tomorrow at 2.30: Election of new Speaker.
Wednesday at 3.30: Education Bill, second reading. Motion on London Councillors Order.
Thursday at 3.30: Debates on communications in Wales and on the Scottish economy. Motions on NHS Charges and Remission of Charges Regulations.
Friday at 11.00: Congenital Disabilities (Civil Liability) Bill, second reading.

Select committees

Today: Expenditure: Education, Arts and Home Office Subcommittee. Subject: Priorities & Decision Taking in the DES. Witnesses: Lady Plowden, Lord Robbins (Room 15, 3.45 pm).
Tomorrow: Nationalized Industries: Subcommittee A. Subject: Reports & Accounts, Scottish Transport Group. Witnesses: Scottish Transport Group (Room 8, 4 pm).
Wednesday: Nationalized Industries: Subcommittee A. Subject: Reports & Accounts, Electricity Council. Witnesses: Electricity Council (Room 8, 10.45 am).
European Secondary Legislation. Subject: Safeguarding of Employees' Rights. Witness: Mr Booth, Minister of State, Employment (Room 5, 4 pm).
Expenditure: Environment Subcommittee. Subject: National Parks and the Countryside. Witness: Mr Howell, Minister for Sport & Recreation (Room 7, 4 pm).
Science & Technology: Science Subcommittee. Subject: Industry and Scientific Research. Witness: Dr Frank Jones, FRS (Room 15, 4 pm).
Expenditure: Social Services & Employment Subcommittee. Subject: Preventive Medicine. Witness: Professor Maurice Backett, University of Nottingham (Room 13, 4.30 pm).

House of Lords

Tomorrow at 3.30: Education (School-leaving Dates) Bill, third reading. Mapiin Development Authority (Dissolution) Bill, second reading. Damages (Scotland) Bill and Land Drainage (Amendment) Bill, committee stage. Licensing (Amendment) Bill, report stage. Debatable question on overbooking by airlines.
Wednesday at 3.30: Debate on the horseracing industry. Debatable question on closure of flight test centre at Fairford.
Thursday at 3.00: Endangered Species Bill, second reading. Licensing (Amendment) Bill, third reading. Rating (Caravan Sites) Bill, third reading. Debate on EEC committee report on EEC farm price review.

Select committees

Thursday: European Communities Subcommittee F (Transport). Subject: European aeronautical programme. Witnesses, officials from Dept of Trade, 11 am.

Archbishop's call 'exposed need for teaching'

Groups all over the country were discussing what sort of society Britain wanted, the Archbishop of Canterbury, Dr Coggan, said last night.

The discussion came after the "Call to the nation" made by him and the Archbishop of York last October, he said in an address in Canterbury Cathedral. Dr Coggan said that some people had misunderstood the call; others had opposed it, but that was better than indifference.

"Many people, including non-churchgoers, have agreed that something needed saying and have thanked us for saying it. Many of our 27,000 correspondents have asked for guidance on ethical and social issues, on prayer, on the meaning of Christian discipleship in the last quarter of the twentieth century. The call has exposed a great need for teaching and yet more teaching.

Appointments in the Forces

Royal Navy

CAPTAINS: F. N. Beckler, Capt of the Port Rosyth and QHM Rosyth and Cromarty, April 14; P. K. C. Harris, MOD with DGNMT as Dir of Naval Manpower Plans, April 30; J. C. Judge, for duty with FOAIB, March 8; B. Archer, Supt Admiralty Marine Engrg Estab Haslar, May 7; J. K. Robertson, Capt Fleet Mntce Portsmouth and as CSO (Engrg) to FO Portsmouth, May 15.
COMMANDERS: D. A. S. Paul, SULTAN as Exec Offr, April 14; G. E. K. Robinson, HERALD in Cmd, Feb 24; B. H. Lawson, DGNMT for DNMP, July 15; D. W. Knight, for duty with Gen Mngr Dept HM Dkyd Devonport, May 24; M. C. S. Rahman, FIFE, Aug 9; C. Rodgers, MOD (PE) with DGW(N)/DUWP at AUWE(S), June 4; B. Y. Woodford, MOD (PE) with DDW(P) at Bath, July 2; M. J. Appleton, staff of FO Plymouth, March 2; R. N. Blair, EXCELLENT as OIC RN Divl AWD Stanagmi, May 2; C. V. B. Hooper, MOD as Secy to ACNS(OR), March 2.
CHAPLAIN: Rev M. W. Ruchs, FEARLESS, April 5.

The Army

BRIGADIERS: R. K. Guy, appld PSO to CDS, Feb 6; W. M. E. Hicks, appld BGS (Trg), HQ UKLF, Feb 2; C. J. Popham, appld ACOS HQ Northag/BGS, HQ BAOR, Feb 6.
COLONELS: Lt-Col J. B. Betteridge, RA, appld CI (Tac), RSA, Feb 2; C. G. W. Brown, appld Col O, D(Mor)3, MOD(A), Feb 6; Lt-Col Freyburg, appld Army Judge SS Job Eval Team, MOD, Jan 19; Lt-Col T. M. Goodall, RAMC, appld ADMS, 2 Div, Feb 2; O. C. K. Rowe, appld OIC RA M&R Off, Feb 3; Lt-Col D. E. Ryan, RAEC, appld Col GS MOD D14, Feb 2; Lt-Col N. P. E. Wheeler, REME, appld Col GS Tech Int SMIU, Feb 27.
LIEUT-COLONELS: J. F. S. Batson, RAMC, appld Cons in Obst/Gynae, Jan 16; J. A. Craven, RADC, appld Dent Offr HQ & Trg Cent RADC, Feb 2; D. A. Douglas, RADC, appld Dent Offr No 2 Dent Gp RADC, BAOR, Feb 2; G. C. Donphie, RGJ, appld CO 3 RGJ, Feb 2; J. G. Hind, RTR, appld GSO1, ADS Washington, Feb 6; P. P. Leddy, RAMC, appld Cons in Radiology, BMH RINTELN, Jan 16; D. M. K. Tindall, 1 7 DG, appld CO Jun Ldrs Regt, RAC, Dec 15, 1975.
RETIREMENT: Maj-Gen R. S. N. Mans, Feb 2.

Royal Air Force

GROUP CAPTAINS (with acting rank of air commodore): T. P. Whitto to HQ STC as Comnd Elect Engr, Feb 7; C. A. Chesworth to RAF High Wycombe as AOC, Centr Tactics and Trials Orgn, Feb 7.
GROUP CAPTAINS: F. E. Doran to HQ NATO, RAF Uxbridge, as Staff Offr Field Servs, Feb 1; J. E. Bore to Dept of Air Secy, MOD, Feb 6; C. A. E. Simons to HQ 11 Gp as SOA, Feb 6.
WING COMMANDERS (with acting rank of group captain): J. C. Sprunt to CTTO RAF High Wycombe as Grp Capt SA LRMP, Feb 2; W. F. Page to RAF West Drayton as OC, Feb 6; R. J. Hutchings to HQ STC as Grp Capt EMCOS, Feb 6; K. Hebborn to RAF Coll Cranwell as D of S, Feb 2; F. E. J. Marshall to HQSC as SPSO, Feb 2.
WING COMMANDER: F. J. H. C. Lock to HQTC as Eng Co-ord, Feb 1.
MEDICAL OFFICERS
WING COMMANDERS: A. M. Morgan to RAF Hosp Ely as Consult in Ophthalmology, Jan 26; J. R. Greig to RAF Waddington as Senr Med Offr, Feb 5.

OBITUARY

PROFESSOR WERNER HEISENBERG

A pioneer of quantum mechanics

Professor Werner Heisenberg died yesterday at the age of 74. He was one of the principle architects of quantum mechanics and won the Nobel Prize for Physics in 1932. He made his decisive contribution at the age of 24 but continued throughout his long and varied career to enrich physics with his insight and competence. At the age of 26 he became Professor of Theoretical Physics at the University of Leipzig, and in 1941 Professor of Physics and Director of the Kaiser Wilhelm Institute for Physics at the University of Berlin. After the Second World War he became Director of the Max Planck Institute for Physics, first in Göttingen and then from 1958 until his retirement in 1971 in Munich, where he also was Professor of Physics. On his retirement he was made Director Emeritus of the Planck Institute.

Werner Heisenberg was born in Würzburg on December 5, 1901. He entered the University of Munich, where his father held a Chair in Greek, as a student under the brilliant teacher Sommerfeld. From the start he was interested in the problems involved in reconciling the quantum physics which had been found necessary to describe atomic processes with the principles of classical Newtonian mechanics and of Maxwellian electrodynamics. At the turn of the century Max Planck had first introduced into physics the "quantum" in his study of radiation. These ideas were taken further, notably by Albert Einstein and Niels Bohr, and a quantum theory of atoms and their interactions with radiation had been developed. This theory was an amalgam of classical mechanics and empirical rules which had to be imposed to obtain agreement with observation. The agreement was good, but the rules were unsatisfactory because they contradicted some of the postulates of the classical theory, and were apparently without consistent, systematic foundation. By 1924 it was generally accepted that a radical break with classical physics would be needed and that a completely new quantum mechanics would have to be developed in its stead. Niels Bohr had provided an anchor which attached these drifting ideas of quantum physics to the established corpus of classical physics through his correspondence principle which requires that the classical results should still apply in a suitable limit.

Heisenberg, under Sommerfeld's tutelage had been introduced to these theories and speculations while still a student and his move to Göttingen in 1924 where he became Privatdozent and assistant to Max Born, and his visit to Bohr's Institute in Copenhagen later that year, brought him into close contact with the leaders in these developments. He became convinced that the key to progress in resolving the problem lay in the elimination from the theory of concepts which were not empirically capable of determination. Thus in describing the spectra of atoms the frequencies and amplitudes associated with the line intensities were acceptable, but the orbits of the electrons in the atoms, incapable as they were of observation, were essentially meaningless and so should be excluded from the theory. By applying these rigorous concepts to the mathematically simpler problem of the pendulum, Heisenberg was able in the spring of 1925 to formulate a new system of mechanics in which the quantum rules arose naturally and to which Bohr's correspondent principle applied. Jointly with Max Born and Pascual Jordan these new ideas were amplified and the resulting Quantum Mechanics has supplanted classical mechanics as the theoretical basis of all of physics. For most macroscopic systems it is well-approximated by the older Newtonian theory, but it continues to apply in the atomic domain when that one fails, and indeed even in the regime of nuclear and sub-nuclear physics.

Shortly after Heisenberg's Quantum Mechanics, or matrix mechanics as it is often described, since its mathematical formulation is in terms of matrices, Erwin Schrödinger presented his independently formulated wave mechanics which also gave a consistent and coherent description of quantum phenomena. For a while it seemed that there were two conflicting theories, but it was soon shown that they were equivalent alternative formulations of the same theory.

Quantum mechanics was applied with outstanding success to the physics of atomic processes, and Heisenberg was in the forefront of these heroic achievements. Perhaps his most far-reaching contribution to the further understanding of quantum mechanics was the Uncertainty Principle which he identified as the epitome of quantum mechanics and the essential point at which it differs from classical mechanics. When a measurement is made of a dynamical variable, the observed system is necessarily disturbed; and it is a consequence of quantum mechanics that the greater the accuracy of the measurement, the greater is the disturbance to the system, the disturbance being in another complementary variable to the one measured. This renders impossible the determination with complete precision of all the dynamical variables of a system; there is a minimum uncertainty in the information which can be derived by making measurements on a physical system. This notion has had a profound impact on other fields than physics; through no fault of Heisenberg, this impact has often been misguided.

Heisenberg's scientific interests were not confined only to quantum mechanics and atomic physics. He proposed that the neutron and the proton could usefully be considered as two different states of the same particle, and introduced the notion of isotopic spin to describe this. The further extensions of these ideas have provided one of the most fruitful methods in the field of nuclear and sub-nuclear physics. In the same spirit of elimination of all but observable quantities from theoretical formulations which he had used in the genesis of quantum mechanics, he introduced into the study of the interactions of elementary particles a method known as S-matrix theory which is one of the basic techniques of that field. He also made important contributions to the theory of the solid state, and a model of the ferromagnet bears his name. He was interested in plasma physics and in thermonuclear processes. From 1953 his theoretical work was concerned mostly with an attempt to construct a unified field theory of elementary particles.

Heisenberg was an accomplished musician and throughout his life maintained a keen interest in philosophy. He was also an enthusiastic hiker and enjoyed outdoor activities. During the 1930s, when so many of his colleagues left—or were expelled from—Nazi Germany, he followed the advice of Max Planck and the urgings of his own strong sense of patriotism to stay on through the war, the inevitability of which he recognized. He became a leader of the "Uranverein", the German wartime project working on applications of nuclear fission, and was interned in Godmanchester for a brief period after his arrest by the United States Alsos mission. After the war he played an influential part in the reestablishment of scientific research in Germany, and encouraged its international outlook. In 1953 he became President of the Alexander von Humboldt Foundation. He was the recipient of many medals and prizes, and was a Fellow of the Royal Society. He married Elisabeth Schumacher in 1937; they had three sons and four daughters.

MR ERNEST GOLD

Mr Ernest Gold, CB, DSO, OBE, FRS, the eminent meteorologist, died on January 30 at the age of 94.

A brilliant scientist in his early years, gaining his Fellowship of the Royal Society at the early age of 37, he became, as deputy to the Director of the Meteorological Office, the administrative head of forecasting services and, as President of the Commission for Synoptic Weather Information of the International Meteorological Organization from 1919 to 1947, he was, more than any other man, the architect of world meteorological services during their most formative years.

As scientist, administrator and diplomat he was known, respected and sometimes not a little feared, in every country of the world where weather forecasting was practised.

The son of a Warwickshire farmer, Gold went to St John's College, Cambridge, from Mason's College, Birmingham, to achieve a brilliant record. Third Wrangler 1903, Natural Sciences Tripos 1904, Fellow of his college 1906, Schuster Reader in Dynamical Meteorology 1907 to 1910. It was during this latter period that his first and most important research work on the explanation of the stratosphere was published. The fact that the upper atmosphere is colder than that near the ground had been known a long time—after all there was snow on the mountains—but towards the end of the century scientists had been taken aback by the evidence from the new balloon-borne meteorographs, showing that beyond a height of 10 kilometres or so, more or less according to latitude and other circumstances, no further cooling was found and that the boundary was usually quite abrupt between the lower atmosphere where temperature decreased with increasing height and the upper atmosphere where the temperature was almost uniform. The lower part became known as the troposphere, the upper as the stratosphere, and it was Gold's achievement to provide a reasonable scientific explanation of this curious natural structure. He took account of the radiative properties of water vapour and carbon dioxide as must be done in any theory today although after more than half a century, a long time in modern science, there is still no entirely satisfying quantitative solution to Gold's problem.

Another of his early papers published in 1908 on barometric gradient and wind force is a classic of the literature, and altogether his papers total something approaching a hundred, some brief but none without a point worth the making.

When he joined the Meteorological Office, first in 1906 and then permanently in 1910 on relinquishing his Cambridge readership, there were no more than two or three qualified scientists in the establishment. When he left in 1947 there were upwards of 150 in the scientific officer grades alone and to most of them Mr Gold was the chief. In the First World War it was he who commanded the contingent of meteorologists (Royal Engineers) with the forces on the continent to emerge as the distinguished Lieutenant Colonel Gold, DSO, OBE. As Colonel Gold he was known for the next 20 years while he was Assistant Director and a growing figure in international meteorology.

It should be recalled that the First World War had seen the beginning of military aviation and civil aviation was to grow remarkably thereafter. Organized international weather forecasting, although certainly not new (its jubilee year was already past), was virtually reborn with aviation and developed in a parallel way throughout the period of 28 years while Gold was President of the International Commission for Synoptic Weather Information.

His tenure of office saw one country after another adhering to the Organization and three themes were always in his mind, more and better meteorological observations, efficient codes to translate science into telegraphy, and elaboration of communications, radio and the newer teleprinters, to match the growing volume of data.

His performance during the Second World War must be mentioned. In a way it was his first opportunity to put the full mark of his personality on the Meteorological Office, for the sudden emergency had found the office under a new director who had little experience of weather services and who had to lean heavily on his deputy. Gold's unrivalled knowledge of world meteorology was an asset of no small value when advisory weather services had to be created in every theatre of war and his abiding interest in scientific principles ensured that the technical standards of British military meteorology were as high as any in the world, not excluding Germany's. His CB of 1942 was suitably endorsed by the American Medal of Freedom with Silver Palms in 1946.

In 1958 he was awarded the International Meteorological Prize and Gold Medal by the World Meteorological Organisation.

He married, in 1907, Catherine L. Harlow. They had one daughter. His wife died in 1973.

£11,820 paid for American oak chest

A carved oak chest from Hadley, Massachusetts, of about 1685, made $24,000 (£11,820) in Sotheby Parke Bernet's New York sale of Americana on Saturday, which totalled £394,392. A Queen Anne carved cherrywood bonnet-top highboy from Connecticut, 1750-1770, made $11,500 (£5,720) and a Federal carved mahogany three-part dining table attributed to Duncan Phyfe, New York, 1800-1815, made $10,000 (£4,925).

A rare Queen Anne brass-dial long case clock by William Claggett Newport, Rhode Island, 1720-1730, was unsold, but a Chippendale carved mahogany piecrust tea table, Philadelphia, 1760-1780, and a Queen Anne walnut wing armchair, Philadelphia, 1720-1740, both made $10,000 (£4,925).

A picture of the paddle steamer Commonwealth, painted by James Bard about 1854, brought $11,000 (£5,420).

25 years ago

From The Times of Thursday, February 1, 1951

Reprieve for German war criminals

The American authorities in Germany have commuted the death sentence of 21 German war criminals and reduced the prison sentences of 70 others [in some instances to the time already served].

The decree confiscating the property of Alfried Krupp is cancelled. . . . British legal and financial experts were not disposed to venture an opinion on the extent of the property which Krupp von Bohlen will be entitled to enjoy. The matter is covered by more than one allied law.

Much of the industrial property of the Krupp family was damaged or lost in the bombing, and part has been dismantled for reparations. . . . The opinion seems to be that Krupp von Bohlen . . . will in any case not be a poor man.

هكذا من الاصل

Profile

Selwyn Lloyd

A grand old man of English politics

Selwyn Lloyd will put on his
s and wig, his knee breeches,
and tho shoes with the George
buckles, presented to him some
by the Parliamentary Press
the last time. After five years
, he has decided to retire.
t a surprising decision. He has
de it plain that he considered
enough, and that Speakers
ire in mid-term. He is 72 this
a Speaker's life is arduous, with
s, daily debates and exchanges
total concentration, countless
ctions and the overseeing of the
administration of the House of

akership rounds off an almost
long political life. In the 30
he has represented the Wirral
ld most of the senior Govern-
—Minister of Defence, Foreign
Chancellor of the Exchequer,
r of the House—under four dif-
oservative Prime Ministers. He
elegant Speaker's flat in the
Westminster, looking straight out
Thames, with its comfortable,
tidy study full of photographs
nementos of office, for what he
legiate" rooms in Gray's Inn, a
at in the Lords, and long week-
his house overlooking the Dee
the Wirral.
res on e good note. There were
ple doubts when he was appoin-
er in 1971 that his former minis-
s would make it hard for him
artial. Two Conservative and 53
Ps went as far as to vote against
a combination of manifest fair
extreme skill in defusing tense
quickly earned him approval
sides of the House.
been helped by the respect that
have for his judgment, and by
hat as ex-minister of so many
t departments he is, not sur-
knowledgeable about the way
, and quick to know when minis-
ld be pressed. His seniority in
has also given him a certain
and protected him from bully-
erformance as Speaker has twice
mended by Harold Wilson, who
that he will now reconsider his
conviction that Speakers should
ously have held office. "Selwyn
brought new status and dignity
fice", says one Labour MP.
ry attributes that have gono into
im a widely admired Speaker—
ess, patience, good temper and
listen—are the very ones that
ootire political career. They
ouot, at least in part, for the
hich he has survived two major
setbacks: Suez, eod his sacking
illan in the "Night of the long

Lloyd had been Foreign Secre-
just eight months at tha time of
most overnight he turned from a
espected figure—albeit nvershad-
Eden—into a harassed, exhaus-
, openly accused of duplicity by
moos. No one has ostablished just
vo a part he played in the affair,
strongly he voiced his misgiving
litary intervention. But he took a
listic stance: he romained faith-
ghout to Eden (partly through
artly because he admired Edeo
, it did not seem to occur to
utiny), pretending nothing had
ng, and defended the scheme in
oth at home and at the United
He then agreed to stay on under
(though there seems little
t Lloyd himself wished to re-
vived some of the most bitter
n that any minister has had to
is century, and after two years
toughened to criticism.
vived agaio politically when, as
r, he was summarily sacked hy
in 1962. A year later, he was
the Cabinet, as Leader of the
Ho is a rubber man", say people
this seeming imperviousness to
rritating. His friends, however,
nodesty and the kind of absence
that makes endurance possible.
ms to be a complete lack nf
in his nature. Selwyn Lloyd
e learnt this from Lloyd George,
e family he spent long holidays
g man. This determination not
ry for himself or bear grudges
popular in both the Wirral,
nservative supporters turned out
ds for a meeting two days after
illan sacking, and in the Com-
ere many MPs felt he had been
amefully. "I believe in an old
Selwyn Lloyd says, "Forgive-
the most effective form of

se two characteristics alone can-
t for his survival. Selwyn Lloyd
all, a man who works—and has
orked—extremely hard. "His
phenomenal; he never dithers;
unds on", says one past private
It is something he was forced
he thirties as a young barrister
wing practice in Liverpool, and
tributes some of his ministerial
the late nights spent mastering
finding his way through sta-
conscientious, doggad approach
on him the admiration of senior
nts in the Foreign Office and
ury, where he was liable to
cross-examining his staff and
lly extracting and storing facts.
ey sometimes despaired at tho
uld be browbeaten later in Cabi-
he very issues on which he had
kingly formed clear opinions.
t this fastidious concern for
and a sense of the dignity of
ich could verge on the pompous
Lloyd would never leave the
out a bowler hat", says a former
—also earned him in the late
early sixties a reputation for
This image was not helped by an
peaking manner, and a tendency
every point with a lengthy
n about why he was going to

n April, 1974, Selwyn Lloyd was
at of arms he chose the motto:
t vincere obstinatus—to sell and
stermined. It says as much for
vareness as for his love of puns.
at are the Fettes bees (his school
rgh), a Welsh dragon, the wheat
Cheshire, and an oyster catcher
his garden), standing nn a demi
proper. Again, tho slightly
joke, to honour his favourite
is no accident that most of the
efer to the Wirral. "It is one
at joys to have represented the
re I was born", he says. He plans
much of his retirement there,
rough a lifetime's documents. "I
nveterate non-thrower away of
he says.
elwyn Brooke Lloyd was born in
a solid, middle-class Liverpool
e son and grandson of dental

surgeons (his grandfather was one of the first dentists to use gas for pulling teeth). The Lloyds were Methodists; Selwyn Lloyd still goes to church. He went to a small local preparatory school, the Lees, where he was studious but quiet, prone to bad colds and bronchitis. After Fettes he was a classical schnlar at Magdalene College, Cambridge, and stayed a fifth year to be President of the Union. Holidays spent at Criccieth with the Lloyd Georges encouraged his already considerable interest in politics, and wheo ho stood for Macclesfield as a Liberal io 1929 Megan Lloyd George came to speak for him. Ho did not expoct to win, and having satisfactorily increased the Liberal vote he returned to Liverpool, where he took up local politics, becoming chairman of Hoylake District Council at 32.

Selwyn Lloyd was one of the few wartime soldiers to reach the rank of Brigadier along with Enoch Powell and John Profumo. When he returned to the Wirral in 1945 he was asked to stand for the Conservatives, a switch in party he was by then ready for, having broken with the Liberals over their refusal to consider tarrifs during the depression. He has held Wirral, in Cheshire, ever since with a solid majority, and is now something of a local institution. "Selwyn Lloyd still seems to stand for Liberal policies here, that's why we have never done well", says a local Liberal.

In 1948 he decided to give up the law and devote himself entirely to politics. It is revealing that he was never tempted later to return to the bar. He once told a friend that he never found it easy to be a good barrister because he constantly saw both sides of any argument. When the Churchill administration of 1951 was formed, Eden, as Foreign Secretary, asked that Selwyn Lloyd should be his Minister of State. Four years later, having been Minister for Supply, and Minister for Defence, he was back in the Foreign Office —in charge.

He stayed there five years. "As he grew more confident, as Suez was forgotten, so he began to find his own voice", says one man who worked with him. "And ha stopped being so chippy with the young Foreign Office secretaries, who had driven him mad with their smooth Etonian mannerisms."

As e tough Chancellor, he earned praise as the benefactor of the arts, and the man who dreamed up the National Economic Development Council, quickly followed by unpopularity when he imposed e 15 per cent tax on sweets in the spring of 1962. It was an extremely bitter moment for him when that summer, after a series of unlucky by-elections for the Conservatives and a politically unpopular pay policy, Macmillan sacked him.

Friends sey that he was totally unsuspecting: he believed he bad been promised three safe years as Chancellor. "There is no doubt", says one, "that had he chosen to complain, rally the backbenchers, and attack, he could well have emerged as leader of the party." Characteristically he preferred to make no fuss.

With apparent indifference he gave up the Ministerial perks of the past 11 years, bought a second-hand Mini, and accepted the rather menial job of carrying out a survey of the Conservative Party organization. "Listening to bores is his great thing", says a past assistant. The result was a workmanlike but unexciting report, recommending better pay for agents, but proposing no radical changes. Neither at home, nor with his friends, did he discuss the sacking. "He hides everything", says one of his sisters, Mrs Shone. "He never discusses disappointments."

His exile was brief. By 1963 Selwyn Lloyd was Leader of the House; his handling of the job is remembered by many as one of the best things in the Douglas-Home administration. His courtesy in the House of Commons, and the trouble he took, disarmed even the Labour Party at a time when they were not in a mood to be disarmed. He concentrated on getting to know the Members, concerned himself with their problems, and set up a committee to discuss their pensions.

Ridiculed on his arrival for his past awkwardness at the Despatch Box, he soon proved himself an increasingly sure Speaker. He chose the occasion of the Queen's Speech, which by tradition the Leader winds up, to carry out an experiment. He spent many hours analysing the failures and successes of past Speakers, and put together a masterly and witty speech, specially designed to create disruptions. It was a triumph.

During the following years of the Labour Government he made innumerable speeches—in 1967 alona he addressed 111 meetings. He also became director of 15 companies. In 1951, at the age of 46 he had married his very much younger secretary. The marriage lasted only a few years. When he divorced his wife in 1957 he was given custody of the only child, Joanna, and brought her up largely himself. Joanne is now 23, an actress currently playing *Alice in Wonderland*, and Selwyn Lloyd is very close to her.

Because of his bachelor life he has always spent much time in the Smoking Room and tha corridors of the Commons, leading e somewhat cosy and somewhat club-like life. All this stopped when he was made Speaker. By traditioo Speakers are not allowed to movo about unaccompanied, or visit the Dining Room or Smoking Room. Selwyn Lloyd chose to interpret the restrictions severely: he has not dined in restaurants, or been to parties while Parliament has been sitting. A return to his nld life, and the casual, uncomplicated friendships, is one of the things he welcomes for his retirement.

Selwyn Lloyd is a genial, slightly portly figure, with the beady and alert look of a small bird, a double-breasted suit and soft suede shoes. He has always been e man of fairly simple tastes. He likes watching rugger, plays golf, is an enthusiastic swimmer, likes epic films and looking at Westerns on the television over cups of tea. He is a disciplined but not very imaginative gardener, bringing to gardening the same energetic conscientiousness he has devoted to everything he takes on. A friend, not long ago, found him one morning in his four-acre garden in the Wirral planning to collect and burn 30 loads nf dead leaves. By four o'clock it was done.

Total concentration on work for nearly 50 years has left him little timo for other things. "He is not interested in gossip. He is splendid at a dinner party where nn one speaks English, but uneasy in semi-formal surroundings," says one private secretary. However, he has always found time to support a number of charities, and charitable ventures, not merely in name, but with activo hard work. He was a founder of Task Force (he has always champinned the young), and collected money on sponsored walks and at wine and cheese parties up and down the country on their behalf. He is a patron of the Liverpool School of Tropical Medicine, and the Homo Farm Trust. "I rather like the old fashioned idea of tithes" he says.

Whila admiring his fundamental straightness and accurate perception of what is right for the Party, colleagues almost invariably add that Selwyn Lloyd is not a very creative man. "He likes getting through work—the issues tend to be secondary," says a former secretary.

Sir Anthony Nutting who was Minister of State under him at the Foreign Office, recalls that Selwyn Lloyd used to resist anything in the way of abstract ideas. Memos sent to him on matters of strategy rather than tactics, would come back with "Much ado about Nutting" scrawled at the bottom. This is also typical of a bantering, teasing, practical joke sense of humour that friends say is a very important part of him.

Selwyn Lloyd was, however, author of an outspoken minority report on independent television in 1951, and his appearance of caution is said to mask a mind perfectly alive to new ideas and suggestions. "He's against change oo principle," says an MP who has worked with him on several committees. Yet another says: "I believe he is far more radical than anyone suspects. He simply has the knack of phrasing it all in establishment language."

"I have been very contented—that is the secret," Selwyn Lloyd says. "Peoplo find it unforgivable that I am not now miserable to be leaving." But he always has accepted what has happened to him with no apparent regret. It is no surprise to find a private secretary saying that whenever there was a sudden, often very inconvenient change of plans, in no time at all Selwyn Lloyd could be heard saying with total conviction that the change was undoubtedly for the best.

Caroline Moorehead

SPORT

Cricket

Better spirits are seen in bad light

From John Woodcock
Cricket Correspondent
Melbourne, Feb 1

The conditions in which Ian Redpath yesterday scored his third century of the present series were described by him as the most gruelling he had known. It was as humid as it was stiflingly hot. Today, when the sixth Test match was continued, it was cool, grey and damp enough for Manchester. Four hours play were lost. In the two that were possible, Australia took their first innings score from 263 for six to 351 all out and West Indies, in reply, made 32 for no wicket.

On a typically slow Melbourne pitch, Australia took seven and a half hours to score their runs, Redpath's 100 taking five hours and a quarter. It was slow going against as tame a Test attack as West Indies have fielded for a long time. Not only was Roberts missing but Boyce bowled off a short run, as though that was almost more than be could manage, and Holder was on and off the field with some sort of upset.

Having left Inshan Ali out of the West Indian side (he seems to have been written off as a Test bowler after going to pieces in Brisbane), Lloyd was obliged to bowl himself and also to give Fredericks a few overs. There was even a time yesterday when we had two spinners, Fredericks and Gibbs, operating together, the first time this has happened for five Test matches.

AUSTRALIA: First Innings
I. R. Redpath, c Holding, b Gibbs 101
A. Turner, c Gibbs, b Holder .. 30
R. B. McCosker, b Boyce .. 21
I. M. Chappell, b Holder .. 1
*G. S. Chappell, c Boyce, b Fredericks .. 68
G. N. Yallop, c Holding, b Boyce 57
†R. W. Marsh, b Holding .. 7
G. J. Gilmour, l-b-w, b Gibbs .. 9
A. A. Mallett, l-b-w, b Boyce .. 16
J. R. Thomson, l-b-w, b Holder .. 0
D. K. Lillee, not out .. 19
Extras (b 4, l-b 11, n-b 7) .. 22
Total 351

FALL OF WICKETS: 1—44, 2—72, 3—96, 4—220, 5—250, 6—261, 7—277, 8—317, 9—323, 10—351.

BOWLING: Boyce, 17.2—1—75—3; Holding, 16—4—51—1; Holder, 20—2—86—3; Lloyd, 7—2—20—0; Fredericks, 6—0—29—1; Gibbs, 24—4—68—2.

WEST INDIES: First Innings
R. C. Fredericks, not out .. 19
I. V. A. Richards, not out .. 11
Extras (n-b 2) .. 2
Total (no wkt) .. 32

L. G. Rowe, A. I. Kallicharran, *C. H. Lloyd, L. Baichan, †D. A. Murray, K. D. Boyce, M. A. Holding, V. A. Holder, L. R. Gibbs to bat.

BOWLING (to date): Thomson, 3—0—11—0; Lillee, 2—0—19—0.

All matters considered, West Indies, after losing the toss for the fifth time in a row, must have surprised themselves by dismissing Australia for anything less than a mammoth total. Had there been more at stake, I doubt whether Australia would have let it happen. There was an element of carelessness in the fall of most of the wickets that mattered.

Ian Chappell, for example, chopped a ball into his stumps, trying something fanciful, his brother drove Fredericks to deep mid-off and Redpath, having reached his 100, hit a catch to deep midwicket. If at the end of this match Redpath decides to devote all his time to his antique business in Geelong, as he well may do, Australia will have lost a wonderfully reliable player.

Play was held up for the first tima today after 20 minutes, for bad light which turned to rain. When it was resumed, almost four bours later, Gibbs at once had Gilmour leg before, playing no stroke. After taking a long time to find his confidence, Yellop played three or four good strokes off his legs and, before Australia's innings ended, Lillee hit Holder into the Southern Stand, which is a long way away, the ball landing in much the same spot where I remember Freddie Brown depositing Ian Johnson 25 years ago.

After bad light had taken eway another 35 minutes, West Indies went in this evening with ooly half an hour left. In that time Thomson and Lillee bowled five overs, which Fredericks and Richard managed, with much fortune, to negotiate. Lillee came nearest to a breakthrough when Fredericks survived a lood appeal for leg before. Thomson came oearest to felling a batsman when be caught Fredericks a stinging blow on the upper arm.

If today's front bas passed through by tomorrow and the sun is back where it belongs, West Indies should score many runs this time—which I seem to remember having written before. At any rate, they look in better spirits than they did a week ago.

When, yesterday evening, Gibbs at last passed Truman's record of 307 Test wickets, be did it with the 26,853rd ball of his Test career. That gives him a wicket for every 87 balls be has bowled for West Indies or every 14.3 six-ball overs. With the help of Bill Frindall, of BBC fame, and as an angle on Gibbs's achievement, here are the striking rates of a selection of bowlers to have taken more than 100 wickets in Test cricket:

G. A. Lohmann, 112 wickets at 34 balls per wicket; S. F. Barnes, 189 (42); C. Blythe, 100 (44); F. S. Truman, 307 (49); W. Hall, 192 (54); D. K. Lillee, 116 (56); H. Trumble, 141 (57); R. Lindwall, 228 (60); G. Giffen, 103 (61); J. C. Laker, 193, J. A. Snow, 187, and K. R. Miller, 170 (62).

J. B. Statham, 252 (64); W. Rhodes, 127 and A. W. Greig, 117 (65); C. V. Grimmett, 216 (67); A. V. Bedser, 236 (68); W. J. O'Reilly, 144 (70); Fazal Mahmood, 139 (71); D. L. Underwood, 202 and G. A. R. Lock, 174 (75); R. Benaud, 248 and H. Verity, 144 (77).

H. Tayfield, 170 (80); M. W. Tate, 155 (81); Intikhab Alam, 108 (86); L. Gibbs, 309 and Bishen Bedi, 146 (87); S. Ramadhin, 158 (88); V. Mankad, 162 (91); G. Sobers, 235 (92); A. Valentine, 139 (93); R. Illingworth, 122 (95); F. J. Titmus, 146 (99).

As a general rule, therefore, fast bowlers take their wickets more frequently than spinners. Jeff Thomson, whose 74 Test wickets have taken him 49 balla each, helps to bear this out. At the rate Tyson was going when be faded ont, be, too, would be nigh on the list.

His 76 Test wickets at 45 balls a time find him in fourth place betweeo Blythe and Truman. Considering that most of their bowling has been dooe in England, some of it on uncovered wickets, Illingworth and Titmus have needed to be more patient than one might have expected.

Lance Gibbs: one Test wicket every 87 balls.

Joy there where Gibbs pins his flag on the summit

From John Woodcock

To have taken more Test wickets than anyone else in the history of cricket does not of itself make a man the greatest of all bowlers. Brian Statham, who held the distinction for some time, would never have claimed that it did. I doubt whether even Fred Trueman would, or Lance Gibbs, who last week, in Melbourne, surpassed Trueman's bag of 307. It is, none the less, the record which all bowlers would probably most like to have, and for Gibbs, a spinner, to have achieved it in what has become predominantly a faster bowler's game is a triumph lodeed.

The old-timers will tell you that Sidney Barnes was the best bowler there ever was, and Barnes finished with 189 Test wickets from only 27 Tests. The best bowler Bradman ever saw, he says, was Bill O'Reilly, whose 27 tests brought him 144 wickets. Gibbs has now played in 79 Tests and bowled nearly 27,000 balls, and still be carries, unrepining, the heavy harness of labour. His zest for the game is an example to all cricketers. Barnes's average, by the way, was 16.43, O'Reilly's 22.59 and Trueman's 21.57; Gibbs's is between 28 and 29.

Gibbs was born in Georgetown in September, 1934, into a games-playing family. Clive Lloyd, the present West Indian captain, is his first cousin (their mothers are sisters); Glendoo Gibbs, who also played cricket for West Indies, is another cousin; so is Lionel Gibbs, who was a champion boxer. Although be started as a leg spinner Lance Gibbs had switched to off breaks by the time be played his first game for British Guiana, as it then was, against Len Hutton's MCC side in 1954. One of the reasons for this was his inability to bowl a googly. His first Test wicket came in Trinidad, early in 1958, against Pakistan, since when he has held a more or less permanent place in the West Indian side.

When, in 1971, it looked as though be might be finished—be was dropped from a series against India, in West Indies—he made a strong comeback in the next season, and in Australia et the moment he is bowling as eagerly and cleverly and accurately as ever. Those who know him best say that nothing in his career would have meant more to him than for West Indies to bave won the present series; it showed sometimes, in the way he put other players in their place. When be has captained sides himself he has tended, as be says himself, to become almost too involved. Yet there have been times in Australia this winter when Gibbs has looked to be the one to see the dangers of a declining situation.

With his long, lissom legs, and short, bounding run, Gibbs bowls one of the game's briefest overs. I timed him in Melbourne recently, quite at random, and the eight balls of en Australian over took one minute 52 seconds. No two balls were the same, and he found time to admonish Julien for being too squarely placed at long leg. If it seems strange that an off spinner should have had a long leg it may have been because in Australia a batsman can sweep to his heart's conteot without fear of being given out leg-before. The next over, by Holder, took over five minotes longer.

Unlike most of the best Eoglish off spinners, Gibbs seldom bowls the ball that drifts from leg to off: the little swinger, that is, with which Titmus and Illingworth, among others, take so many wickets. Nor does be bowl round the wicket as profitably as those two. He has never felt really "comfortable" from round the wicket, which must at times have been a handicap to him, as when the ball has been really turning. That be only seldom bowls tho "floater" is because of his grip. Most off break bowlers spin the ball off the ioside of the top of the forefinger; Gibbs does so off the knuckle joint of the same finger, which looks as gnarled as a bushmao's toe.

A sore spiooiog finger, sometimes red aod raw in the place that matters most, is something which Gibbs has had to learn to live with. With two Test matches following closely upon each other this was especially a worry over Christmas and the New Year. In the end the real spinners of the ball usually get arthritis in the joint that has borno the brunt of the work. Gibbs will finish with it in his knuckle, almost for sure.

He hopes to tour England once more—West Indies will be coming to England at the end of April for five Test matches—before calling it a day. Since appointing him their "full-time" sports coordinator the Guyana State Corporation have been good to him in the way they have released him to play cricket. He feels that very sooo he must start to make the job what it is meant to be. Being of the school which thinks that if e thing is worth doing it is worth doing well, be is sure to pnt as much into his job as he has put into his cricket.

With his eyes popping out of his bead be says he "boils up" when he sees the West Indian players being as casual as some of them were lo Adelaide before Christmas. His own enthusiasm never wavers. He likes a party, but oever smokes; be thinks Pat Pocock of Surrey is the game's most underrated bowler, that Wes Hall was the fastest be ever saw, at any rate over e longish spell. Frank Worrell be ranks as the best captain he played under, Neil Harvey as the batsman with the best footwork, Bill Lawry as the hardest to get out. The day that he most remembers for the fact that suddenly everything went right was at Bridgetown in February, 1962, when India, with two batsmen well set, seemed to be heading comfortably for a draw. They were 150 for two on the last afternoon and Gibbs had taken nooe for 32. Two bours later he had taken eight for 38.

With nagging variations and geometrical control, rather than prodigious powers of spin, he has achieved his great distinction. He has a boy of 10 and a younger girl, and his wife, Joy, was in Melbourne to see him plant his flag upon the summit, after a long, arduous and bonourable climb.

A statistical comparison series by series

A purely statistical comparison, culled series by series from Wisden, shows that Gibbs has howled over 11,500 more balls than Trueman in Test matches, writes Richard Streeton. A figure of 11,500 halls in itself represents more than a caroer's work for all but a hendful of Test bowlers. In an era of West Indian pace, the sheer amount of bowling Gibbs has done is remarkahle.

Apart from bowling more balls and taking more wickets than anyooe else in Test history, Gibbs this winter has become tha first man to take 100 wickets against moro than one country. He has now passed this milestone against both England and Australia.

L R Gibbs

Season	Opponents	Tests	Overs	Mdns	Runs	Wkts	Avge	5 wI	10 wM
1957-58	Pakistan	4	166.5	46	392	17	23.05	1	—
1958-59	India	1	30	12	61	0	—	—	—
1958-59	Pakistan	3	94.1	33	178	8	22.25	—	—
1960-61	Australia	3	†192.2	65	395	19	20.78	2	—
1961-62	India	5	264.5	98	490	24	20.41	1	—
1963	England	5	249.3	74	554	26	21.30	2	1
1964-65	Australia	5	278.3	87	555	18	30.83	1	—
1966	England	5	273.4	103	520	21	24.76	3	1
1966-67	India	3	204.5	59	397	18	22.05	1	—
1967-68	England	5	318.3	114	610	20	30.50	1	—
1968-69	Australia	5	†292.2	52	923	24	38.45	1	—
1968-69	New Zealand	3	†134.1	28	362	8	45.25	—	—
1969	Englaod	3	168.4	57	315	6	52.83	—	—
1970-71	Iodia	1	40	17	65	0	—	—	—
1971-72	New Zealand	2	130	37	267	3	89.00	—	—
1972-73	Australia	5	325	108	696	26	26.76	1	—
1973	England	3	135.1	46	227	9	25.22	—	—
1973-74	England	5	328.3	103	661	18	36.72	1	—
1974-75	India	5	259.5	103	454	21	21.61	2	—
1974-75	Pakistao	2	†89.5	27	210	7	30.00	—	—
1975-76	Australia	5	†182.4	41	523	14	37.28	1	—
(Excluding sixth Test)									
		78	26,734 balls	1,307	8,854	307	28.84	18	2

Best bowling in innings: 53.3—37—38—8 v India, Bridgetown, 1961-62.
Best in match: 11 for 157 (5-59 and 6-98) v England, Manchester, 1963.
Wickets v each country: Australia, 101 in 23 Tests; England 100 (26); India 63 (15); Pakistan 32 (9); New Zealand 11 (5).
Batting: I 107, NO 39, R 486, HS 25, Av. 7.14. Catches: 51.
† 8-ball overs

F S Trueman

Season	Opponents	Tests	Overs	Mdns	Runs	Wkts	Avge	5 wI	10 wM
1952	India	4	119.4	25	386	29	13.31	2	—
1953	Australia	1	26.3	4	90	4	22.50	—	—
1953-54	West Indies	3	133.2	27	420	9	46.66	—	—
1955	South Africa	1	35	4	112	2	56.00	—	—
1956	Australia	2	75	13	184	9	20.44	1	—
1957	West Iodies	5	173.3	34	455	22	20.68	1	—
1958	New Zealand	5	131.5	44	256	15	17.06	1	—
1958-59	Australis	3	†87	11	276	9	30.66	—	—
1958-59	New Zealand	2	44.5	17	105	5	21.00	—	—
1959	India	5	177.4	53	401	24	16.70	—	—
1959-60	West Indies	5	220.3	62	549	21	26.14	1	—
1960	South Africa	5	180.3	31	508	25	20.32	1	—
1961	Australia	4	164.4	21	529	20	26.45	2	1
1962	Pakistan	4	164.5	37	439	22	19.95	1	—
1962-63	Australia	5	†158.3	9	521	20	26.05	1	—
1962-63	New Zealand	2	88	29	164	14	11.71	1	—
1963	West Indies	5	236.4	53	594	34	17.47	4	2
1964	Australia	4	133.3	25	399	17	23.47	1	—
1965	New Zealand	2	96.3	23	237	6	39.50	—	—
		67	15,178 balls	522	6,625	307	21.57	17	3

Best bowling in innings: 8.4—2—31—8 v India, Manchester, 1952.
Best in match: 12 for 119 (5-75 and 7-44) v West Indies, Birmingham, 1963.
Wickets v each country: West Indies 86 in 18 Tests; Australia 79 (19), India 53 (9), New Zealand 40 (11), South Africa 27 (6), Pakistan 22 (4).
Batting: I 85, NO 14, R 981, HS 39*, Av 13.81. Catches: 64.
† 8-ball overs * Not out

For the record

Rugby Union

Welsh Cup

Cardiff	12,	Aberavon	16

Club matches

Bath	32,	S Wales Police	16
Lydney	30,	Somerset Police	6
Oxford	3,	RAF	7
Penarth	40,	Bridgwtr & Alb	7
Redruth	5,	Plymouth Alb	3
Stroud	17,	US Portsmouth	3

Rugby League

FIRST DIVISION: Postponed: Dewsbury v St Helens; Huddersfield v Keighley.
SECOND DIVISION: Postponed: Bramley v Hull.
YESTERDAY: First division: Postponed: Bradford Northern v Leeds; Hull Kingston Rovers v Featherstone Rovers; Oldham v Widnes; Swinton v Castleford; Warrington v Wakefield Trinity. Second division: Barrow 23, Huyton 0; Workington Town 14, Leigh 25. Postponed: Batley v Whitehaven; Halifax v Blackpool, New Hunslet v Doncaster; York v Rochdale.

Cricket

DUNEDIN: Indians 304 for 8 dec (D. Vengsarkar 130, B. Patel 73); Otago 222 for 9 (G. Turner 121 not out, R. W. Anderson 66; S. Venkataraghavan 5 for 88).
JOHANNESBURG: [illegible] 75); Transvaal 195 for 8 (C. Rice 55, W. [illegible] der Linden 55; P. Timms 5 for 57).

Cross-country

LONDON: Southern championships: 1, M. N. Coupland (Southampton and Eastleigh), 44min 32sec; 2, A. Catton (Ilford), 45min 3sec; 3, K. Penny (Cambridge H), 45min 19sec. Team: 1, Brighton and Hove, 197 pts; 2, Shaftesbury H, 204 pts; 3, Blackheath H 217.

MORPETH: Northern championships: 1, D. Coates (Gateshead), 39min 50sec; 2, D. Blakeley (Manchester), 40min 12sec; 3, J. Alder (Morpeth), 40min 21sec. Team: Airedale and Spen Valley.

BLACKBURN: Women's championships: 1, A. Ford (Feltham), 17min 23sec; 2, V. Rowel (London Olympiades), 17min 26sec; 3, G. Penny (Cambridge H), 17min 32sec. Team: Aldershot and Farnham.

Golf

HOBART: Tasmanian Open: 283: D. Good (winner after play-off at the 5th), I. Stanley, S. Ginn, B. Jones; 285: T. Gale, E. Ball; 286: M. Bohen (US), R. Vines, M. Cahill.

HONOLULU: Hawaiian Open: Third round: 201, H. Irwin; 202, R. Murphy; 204, B. Crenshaw; A. Geiberger; 205, W. Casper; L. Nelson; 206, W. Armstrong; C. Coody; G. Morgan; R. Maltbie; J. Jacobs. GB scores: 209, P. Oosterhuis; 214, A. Jacklin.

UNIVERSITY MATCHES: Rye beat Oxford University 7½ to 6½ (at Rye); Worplesdon beat Cambridge University 12—6 (at Worplesdon).

Ice Hockey

NATIONAL LEAGUE: Toronto Maple Leafs 6, New York Rangers 4; Detroit Red Wings 2, Chicago Black Hawks 1; New York Islanders 2, St Louis Blues 2; Los Angeles Kings 7, Montreal Canadiens 3; Minnesota North Stars 3, Philadelphia Flyers 3; Kansas City Scouts 4, Pittsburgh Penguins 4.
WORLD ASSOCIATION: Minnesota Fighting Saints 4, Houston Aeros 1; Quebec Nordiques 8, Toronto Toros 4; Winnipeg Jets 5, Cincinnati Stingers 2.

Tennis

CLEVELAND: National Tennis Foundation tournament: A. Metreveli (USSR) beat C. Lewis (NZ), 7—5, 6—2; H. Rahim (Pakistan) beat V. Pecci (Paraguay), 6—3, 6—4; C. Owens (US) beat J. Delaney (US), 7—6, 6—1; Rahim beat C. Dibley (Australia), 6—2, 6—4; Metreveli beat Owens, 7—6, 6—2.
CHICAGO: Final round: Mrs R. Cawley beat Miss V. Wade (GB), 3—6, 6—3, 6—2.
KING'S CUP: Austria beat Bulgaria 2—1 (in Sofia), Belgium beat Poland 3—0 (in Brussels); Italy beat Spain 2—1 (in Cantu); West Germany beat France 3—0 (in Essen); Switzerland beat Finland 3—0 (in Rebach); Denmark beat the Netherlands 2—1 (in Dongen).

Yachting

AUCKLAND: Dunhill Cup: Three kings race (560 miles): 1, Ballyhoo (Australia), 2 days 18hr 37min 9sec (record).

Hockey

LONDON LEAGUE: Beckenham 2, Wimbledon 0; Dulwich 1, Purley 1; Hampstead 0, Surbiton 0; London University 0, Blackheath 4; Oxford University 2, Old Kingstonians 1; Richmond 0, Hounslow 3; Slough 3, Spencer 0; St Albans 2, Hawks 1; Teddington 2, Cambridge University 0.
OTHER MATCH: Reading 3, Maidenhead 2.
WOMEN'S TERRITORIAL MATCH: East 2, West 1. Other matches: Belvedere 7, Gore Court 1; Ealing 2, West Essex 1; Eastcote 1, Winchmore Hill XI 0; Southgate 0, Chiswick 1; Sunbury 5, Barclays Bank 0; Winchmore Hill 5, Cambridge 2.

Yesterday

CLUB CHAMPIONSHIP: Finals: West: Bristol 3, Isca 2 (extra time). Midlands: Northampton Saints 2, Nottingham 1 (extra time). North: Timperley 0, Furness 1 (extra time).
LONDON LEAGUE: Teddington 3, Hampstead 0.
OTHER MATCHES: Civil Service 1, Hertfordshire 2; Purley 2, Royal Navy 6; Bedfordshire Eagles II 2, Bury St Edmund's YMCA II 1.

Lacrosse

SOUTH OF ENGLAND LEAGUE: First division: Hampstead 21, Kenton 3; London University 7, Purley 3. Second division: Buckhurst Hill A 4, Hampstead A 11; Oxford University Iroquois 3, Beckenham 11. Third division: Hillcroft A 4, Buckhurst Hill B 10.

Football

Only Leeds and Rangers are free to keep their minds on league title

By Geoffrey Green
Football Correspondent

A crop of goals in the first and second divisions warmed the frozen wastes of Saturday: an unusual crop, too, of away victories in the championship made the going easier than the coming back.

As a result of all this, which included a second successive home defeat for Leeds United, this time by Norwich City, and another storming victory by Liverpool at West Ham United, the contenders for the league title, have been reduced to five in number. With West Ham now virtually out of the hunt it is Manchester United, Liverpool, Derby County, Leeds United and Queen's Park Rangers in line astern at the top, each separated by a point.

It is anyone's guess who will last the course best, but the following facts may be of some significance. Manchester United and Derby of this company are still involved in the FA Cup; United still have to play all the other leading challengers at Old Trafford in the coming weeks; Liverpool still have their sights on the Uefa Cup as an extra incentive; and only Leeds and Queen's Park Rangers are free to concentrate on the league programme.

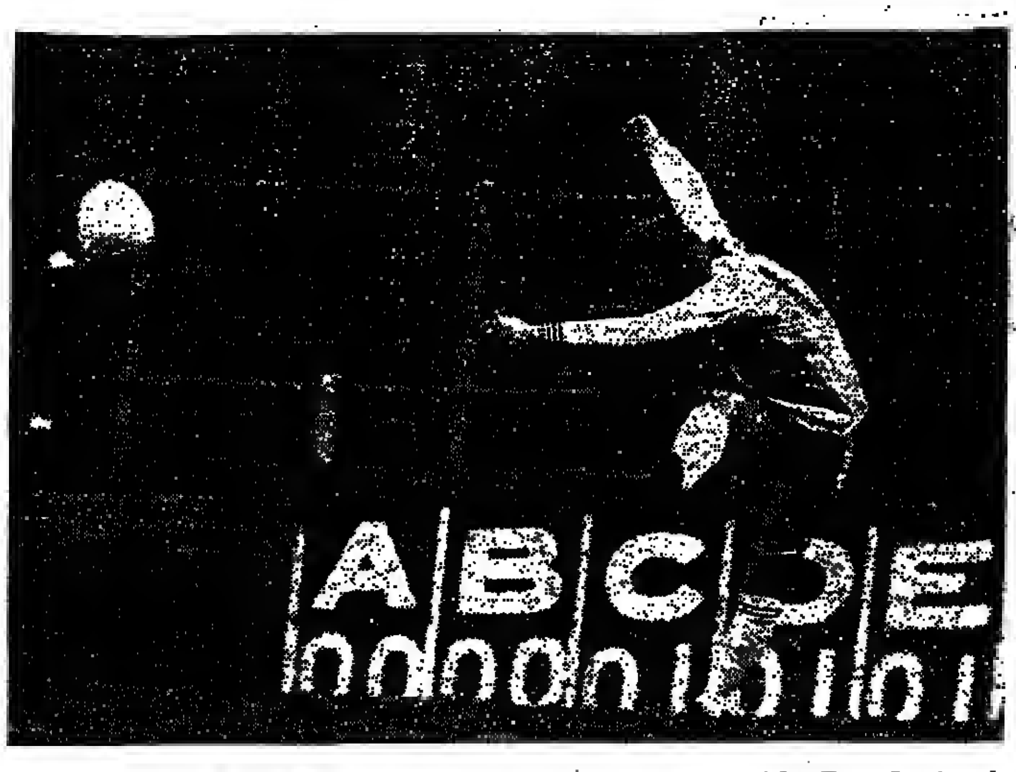
Indeed, following the 3—0 defeat by Norwich at Elland Road, John Bond, the Norwich manager, said: "In spite of today, I still fancy Leeds to win the championship." Managers, however, are not necessarily the best of soothsayers. Dave Mackay, for one, is unlikely to agree with that opinion. He insists that his team, Derby, will retain their league title, in spite of the fact that recent history is against them. The last club to win the championship two years in succession were Wolverhampton Wanderers, who did the trick in 1958 and 1959.

Bone hard, icy pitches no doubt accounted for some of the day's oddities. Aston Villa had lost only one league match at home; their opponents, Queen's Park Rangers, had suffered successive defeats away, and had won only once on their travels—the freak 5—1 triumph at Derby in early season. Yet now late goals by Hollins and Francis upset the Villa applecart to keep Rangers in the race.

Struggling Burnley, too, beat the odds. Having won only once away all season they now surprised Everton on Merseyside, where the Lancastrians had previously lost only once at Goodison Park, and that on the opening day. Yet perhaps the most exciting ending came at Ayresome Park on Teesside. There, Middlesbrough led Newcastle United 3—1 in their North-eastern derby with only a minute to go. Yet the time was sufficient for Nattrass and Kennedy to score and send jubilant Newcastle home with a 3—3 draw.

With Sunderland, Bolton Wanderers, Bristol City, and Notts County all left with postponed matches on their hands there was no change in the top of the second division, but Southampton and West Bromwich Albion, who play each other in the FA Cup in a fortnight's time, moved into line for promotion. Meanwhile, it was honours even between Hereford United and Crystal Palace in their third division summit meeting.

Sheffield United's winger Woodward has asked for a transfer and the captain, Currie, has renewed his request for a move. Currie, the England midfield man rated at £300,000, said after Saturday's defeat at Arsenal: "I have been asked by my manager, Jimmy Sirrel, not to say anything at this stage." Sirrel said that both requests would be considered by his board in the normal way.



The empty terraces at Highbury on Saturday form the background for Tony Currie, who has asked for a transfer from Sheffield United.

A great day for advocates of a midwinter break

By Geoffrey Green

Those who advocate a break from football during the bleak months of January and February—as is the general fashion on the Continent—had everything to support their arguments on Saturday as Leicester City beat Manchester City 1—0 at Filbert Street.

The pitch was little else but a skating rink, especially near the touchlines: an Arctic wind cut through you to clutch at the heart: icicles formed on people's moustaches and, but for the comfort of an occasional tot of the good stuff from a friendly St Bernard near by (wisely equipped for the occasion), I doubt whether the old frame would have survived.

As it was, both sides put up a creditable performance in what was clearly something of an ordeal. Both goalkeepers were protected by track suits under their sweaters, while Tueart, for one, had all our sympathy as he had his shirt sleeves pulled down over his fingertips all afternoon like some miserable schoolboy hunched in the bitter cold of a play yard.

Although we were denied the full value of a sneak preview of what may happen when Leicester face Manchester United on this same ground in the FA Cup a fortnight hence—which was the real object of the exercise—at least it was possible to get an idea of Leicester's general organization.

Theirs is a fluid 4-3-3 alignment, with three creative players in Kember, Weller and Alderson as the midfield pulse. In the firing line is the unusual combination of three centre forwards, two of them playing wide on the flanks as wingers, Worthington on the left, Garland on the right, with Lee in the middle. All are interchangeable, and they change positions as necessary. It is something of a three-card trick and the Manchester United rearguard had better watch it carefully.

Amid all the slithers, skids and balancing acts, Corrigan generally was most tested under the Manchester City crossbar. Yet ironically, having kept everything out for 70 minutes, it was his sad error that threw the match away. A neat build-up by Kember and Weller found Garland moving down the left touchline. Worthington nodded on the cross, Lee took a hopeful swing at the ball, and his half-hit shot slithered between Corrigan's legs to find the net with a sob. Although it was a moment for blushes one could forgive anyone for anything on such a day.

There were, of course, other near things. At one end Doyle headed Tueart's corner kick against the Leicester bar; at the other Corrigan once stretched elastically to turn away Lee's shot brilliantly after the centre forward had worked a quick one-two with Weller.

But in conditions better suited to penguins and polar bears it was significant that the two smallest players on the field—Kember and Hartford—kept their feet and balance best because of their low centre of gravity. They were quite outstanding as they proved that football is not only for the big boys.

It was significant, too, that once they had taken the lead the 20,000-odd locals who braved the weather kept up a ceaseless chant of "We want United". This was not so much to keep their circulation moving as a confident belief in their ability to deal with the present leaders of the championship on the way to Wembley. After all, they do have something to crow about. Leicester have not been beaten at home since the last week of October.

LEICESTER CITY: M. Wallington; S. Whitworth, D. Rofe, S. Kember, J. Blockley, A. Woollett, K. Weller, R. Lee, C. Garland, B. Alderson, F. Worthington.

MANCHESTER CITY: J. Corrigan; C. Barrett, W. Donachie, M. Doyle, D. Watson, A. Oakes (sub, P. Barnes), P. Power, T. Booth, J. Royle, A. Hartford, D. Tueart.

Referee: A. Robinson (Waterlooville).

West Ham stand back to admire Liverpool

By Tom Freeman

I have not seen a team this season who looked more like champions than Liverpool did at Upton Park on Saturday. Their 4—0 victory over West Ham United was so well designed, so convincing and such a deserved reward for their abundant skill and industry that even the most rabid supporter of the Londoners could only stand back in admiration.

We had heard all sorts of stories about West Ham's intricate plan for dealing with the menace of Toshack and Keegan. If there was such a plan it was in shreds long before the end. Toshack scored three times. Keegan managed only one goal, yet was easily the game's most outstanding player.

On a bitterly cold afternoon, and on a hard pitch, he was the one man who seemed to enjoy the conditions, bewildering the West Ham defenders with his runs from inside his own half, refusing to be shaken off the ball, and turning up in all four quarters of the playing area, now in defence, stifling a West Ham attack, now in the front row, darting in and out of the fumbling home defence, almost at will.

What Liverpool merely threatened to do for the first hour they carried out with precision in the last half hour. First, Callaghan centred delicately, the ball surprisingly avoiding the row of players in front of the goal until it reached the far post, where Toshack steered it gently past Day. Then Toshack scored his second, hitting the ball home from Kennedy's free-kick, and shortly afterwards his third, heading in from Heighway's cross. By the time Keegan gleefully shot the last goal the West Ham defence was almost non existent and half the people in the stands had gone home.

Liverpool have never looked a more complete, more dedicated team. Somebody told me before the game that their one weakness was the veteran Smith, and that West Ham were bound to exploit this. In fact, Smith looked as solid and impassable as he has ever done. There was, as far as I could see, no weakness. In front, Heighway and Toshack thrived on Keegan's inspiration, in the middle Callaghan, Case and Kennedy were reliable and resourceful, and the back three were equal to the limited demands made upon them. As for Clemence, in goal, he was beaten only once—and there was the dependable Smith, standing under the bar, to head clear.

The most startling thing about West Ham was the way they deteriorated when the goals started coming. It would need a miracle now for them to win the League championship. Undoubtedly the continued absence of Bonds has been their biggest burden, and the main reason why they have lost their way. What they need immediately is something to restore their shattered morale.

There are two small consolations for them—one, Liverpool, in Saturday's form, would have beaten any team in England, and two, their new, Turkish Cypriot player, Orhan, impressed, even when his team were doing badly—an exceedingly difficult thing for any young player to do.

WEST HAM UNITED: M. Day; J. McDowell, F. Lampard, P. Holland, T. Taylor, K. Coleman, A. Taylor, G. Paddon, W. Jennings (sub, K. Robson), T. Brooking, Y. Orhan.

LIVERPOOL: R. Clemence; T. Smith, P. Neal, P. Thompson, R. Kennedy, E. Hughes, K. Keegan, J. Case, S. Heighway, J. Toshack, I. Callaghan.

Referee: J. Hunting (Leicester).

The League of Ireland football club, Cork Celtic, who parted company with George Best in midweek, are set to sign the former England world cup player, Geoffrey Hurst.

Cork Celtic representatives finalized arrangements with Hurst yesterday and are expected to complete the deal today. Drogheda and Dundalk were also seeking the signature of Hurst, who was released by West Bromwich Albion on Thursday.

Improvised tune of Derby not their best composition

By Norman Fox

Derby County, like the pianist-singer Alan Price, do not believe that you need to read the music to play the tune. So when the crowd implores them to "get rid of it" (football's equivalent of "play something simple"), they turn a deaf ear and hope that natural improvization will overcome almost anything.

On a solid pitch and in an unpredictable wind, the tune that they played against Coventry City on Saturday was not their best composition, though there is still hopeful talk at the Baseball Ground of winning the League and FA Cup double. Dave Mackay, the Derby manager, is not one for insisting on much high pressure training and pre-packed ideas. He would prefer that his clever first team party sort out their problems in competition, which is why they welcome "friendly" games at this crucial stage of the season.

Tonight they meet the fine Czechoslovak team, Slovan Bratislava, Masny, the destroyer of England, included. Generally, this unrehearsed football looks much better against sides like Slovan or Real Madrid than Coventry, who kept them struggling for over an hour before losing 2—0.

Coventry are comparatively rigid. Several of their team are excellent players, Hutchison here made Derby's James seem almost limited in ideas and Coop was reliable and creative from the back, but the overall impression is of permanent cliff-hanging. Last week they slipped over, losing 5—0 to Newcastle United in the FA Cup, so to restrain Derby for so long was some credit to their spirit.

The only pre-conceived tactical contribution that greatly assisted Derby was the now familiar introduction of Davies in the second half. Before he arrived much of Derby's effort under difficult conditions had been wasted in the Coventry penalty area. George continually attempted to introduce defence-baffling ideas but was always confounded by Coventry's interceptions, including a series of hopeful lunges that somehow rarely failed to clear the ball.

Luck was also with Coventry when Rioch ran through their penalty area and clung to the ball for so long after he should have put it away that Blyth managed to claw at his feet and allow Coventry to survive. When Holmes sliced what should have been a clearance, the ball went in the opposite direction, clearing his own crossbar by a few inches. Derby may have felt that this was not to be a day to speculate on the chances of catching Manchester United and retaining their title.

Then Coventry inexplicably handed them the game. Davies replaced Lee and soon began to cause some nervous reactions in the Coventry penalty area. When he played a head high pass to George, Brogan came in behind George and for no good reason pushed the ball down with his hand. George scored the penalty.

George's second goal was a prize for persistence. A free-kick from Thomas descended at exactly the right position for him to move back and head downwards. The ball bounced in front of Blyth and skidded into the goal. The crowd were begrudging in their appreciation, considering the surface on which the players had worked so attentively.

A word of appreciation, too, for Bob Matthewson whose refereeing contributed enormously to what could have become a stop-and-go farce if he had not given "advantage" so intelligently. His relationship with the players was also correct, understanding, firm but encouraging.

DERBY COUNTY: G. Moseley; R. Thomas, H. Newton, B. Rioch, R. McFarland, C. Todd, S. Powell, A. Gemmill, F. Lee (sub, R. Davies), C. George, L. James.

COVENTRY CITY: J. Blyth; M. Coop, J. Brogan, B. Powell, A. Dugdale, J. Holmes, L. Cartwright, A. Green, D. Cross, D. Murphy, T. Hutchison.

Referee: R. Matthewson (Bolton).

Rugby Union

United States are 'ready to enter the world scene'

By Peter West
Rugby Correspondent

While most of our domestic rugby programme was disrupted at the weekend by winter's bitter grip there occurred, some 6,000 miles away in Los Angeles—under a blazing sun and in a temperature of 83°F—an international result that rugby should not ignore. Australia, taking the contest seriously and fielding the strongest side at their command, beat United States by 24 points to 12.

The details—four penalty goals and three tries for Australia, four penalty goals for United States—suggest a just result. Yet there were only four points between the sides before Australia, late in the game, ran in their last two scores. "It is obvious", said their manager, Ross Turnbull, "that the USA, to whom we give all credit for a fine performance, are ready to enter the world rugby scene."

The chairman of the United States national coaching committee, Dennis Storer, to whom I am indebted for this report, declared himself much encouraged by the result. "A great start", he told me on the telephone at 2.30 am Los Angeles time, when local celebrations were concluding. "There is now an enormous wave of enthusiasm running for us among our players, although the crowd (about 6,500) seemed thoroughly disappointed. They like winners out here, and they don't yet realize the size of the job our team were facing at this stage of their development."

Mr Storer, a member of the PE and Sports faculty at Los Angeles University, is an Englishman with a rugby background of Leicester, Loughborough Colleges, Blackheath and (as coach) Reigate Grammar School. He stresses that the American XV was composed wholly of home-bred players. Twelve of their number, including nine present or former UCLA members, came from the Pacific Coast Union, and three from the Eastern. Several outstanding candidates from other unions were omitted because they were not match fit. The size of the United States, and the spread of its rugby unions, with different playing seasons, will always pose difficulties for home internationals. It should be a different matter when they tour abroad.

Australia were leading by two penalty goals from Hindmarsh to one by the American full back, Oxman, when Ryan collected an inaccurate defensive kick and the flanker, Price, who missed all four internationals here because of injury, went over from an inside pass. Further penalties by Oxman and Hindmarsh made it 13—6 to Australia at half time.

In the second period Oxman kicked two more, and Hindmarsh one, to produce an Australian advantage of 16—12. In the last phase, Ryan got a try after Hindmarsh had come into the line on the short side and then, when the stand-off, Wright, beat the opposing loose forwards for the first time with a stabbing inside break, Price scored a rousing try in the left hand corner.

United States had a nervous first half but none the less mounted three particularly exciting attacks involving forwards and backs. Their prop, Swanson, crossed the line from one of these but the try was disallowed by the referee, Tony Pontin, a former member of the London Society. Mr Pontin subsequently tore a calf muscle, being replaced by the president of the California Union who was one of the touch judges.

There were two more close calls for the Wallabies in the second half, but Mr Storer has no complaints. "I think we deserved to score at least one try", he told me, "but the fact is that Australia took every clear chance they had."

The pace of the game, punctuated by stoppages, was rather slow overall. United States yielded three strikes against the head and the scrummages by 18—7. Australia had clean possession from the mauls by a count of 4—1, and from the rucks by 16—5. But United States took the lineouts by 18—7.

Mr Storer likes to think that the scrummage count would have been less marked if he had been able to work his forwards harder in training. "After three days of trials we chose our squad of 21 last Wednesday, but the heat was shattering and we could only have one period of set scrummaging. It is fair to say that Australia, coming straight from their tour of the British Isles, could afford to take their preparations more gently."

United States twice made effective use of 50-yard torpedo throws over lineouts deep in their own 25, and by the same means on several occasions switched the point of attack from tapped penalties.

UNITED STATES: K. Oxman; D. Chipman, D. Stephenson, G. Schneeweis, S. Auerbach; R. Borderley (captain), M. Swiderski; M. Ording, F. Khasigian, E. Swanson, G. Bracket, C. Sweeney, S. Niebauer, T. Selfridge, T. Klein.

AUSTRALIA: J. C. Hindmarsh; J. Ryan, R. D. L'Estrange, G. A. Shaw (captain), L. E. Monaghan; K. Wright, R. O. Heuser; J. B. Meadows, G. M. Cornelsen, R. Graham, G. Fay, R. A. Smith, R. A. Price, G. Cornelsen, A. A. Shaw.

Referee: A. Pontin.

County play-off deferred

By Peter West

The Cheshire-Lancashire play-off in the Northern group of the county championship, which was frosted off on Saturday, has been deferred for seven days. This means that only one of the county semi-finals, that between North Midlands and Middlesex, can take place next Saturday as scheduled. The winners of the Northern play-off will now meet the champions, Gloucestershire, in Bristol on the date originally fixed for the final, February 28. The final has been postponed until March 27.

There was a feeling among some of the older fraternity present at New Brighton two days ago that the pitch was playable. However, the temperature dropped markedly around lunchtime and, although the decision of the captains has led to complications, I thought John Lansbury and Tony Neary made a prudent one.

In an overcrowded calendar the situation already is difficult enough without the two teams finishing level later this week. In that event—with the RFU's sanction—they will play an extra ... minutes each way and, if they cannot resolve the issue in either time, I understand that the first score thereafter will decide it. It could be that 30 players finish in a weary state.

The long range weather forecast does not sound too encouraging, and, in the events of a further postponement, these Northern counties will be thinking of a midweek meeting under lights. There will be no other Saturday available before February 28. The second round of the John Player Cup is due on February 14 and seven days later, there is a double international bill, including the Calcutta Cup match in Edinburgh.

More than half the first class Rugby Union games and the three Rugby League matches were called off on Saturday. Yesterday's fixtures did not fare much better: nine out of 11 matches were postponed.

Celtic back at the top after beating Dundee United

Celtic are back at the top of Scotland's premier league, having displaced their rivals, Rangers, who were held to a draw by Dundee at Dens Park. Celtic beat the other Tayside club, Dundee United, 2—1 at Glasgow.

After their Scottish Cup defeat by Motherwell last Saturday, Celtic shook up their team and among those dropped was the former England under-23 goalkeeper, Peter Latchford, who gave way to Alistair Hunter, a full Scotland international.

It looked as if Celtic might be in for another unexpected defeat when Hall scored for United with less than a minute gone. Dalglish equalized in 13 minutes and Wilson got the winner in 37 minutes. United hotly disputed the Dalglish equalizer and also claimed a goal by McAdam that was disallowed for offside five minutes from half-time. As the United players trooped off Jim McLean, the manager, raced from his dug-out to restrain Copeland, a defender. Then Mr McLean himself appeared to have strong words with the referee as the players, managers and officials disappeared from view into the tunnel.

Rangers had most of the play against Dundee and Derek Johnstone celebrated his return to the side with a goal two minutes after the interval. In 63 minutes, however, Dundee's Johnston—the full back David—made it 1—1.

Motherwell continued in third place, thanks to a 2—0 win over Heart of Midlothian. Pettigrew was yet again on target and scored both goals in the first half.

Hibernian, one point behind Motherwell but with a game in hand, had a big 5—0 win over St Johnstone. The goal scorers were Smith, McLeod (two), Brownlie and Duncan. Aberdeen kept up their recent winning run by beating Ayr United 2—1, avenging a 1—0 defeat on November 29.

Partick Thistle made sure of being promoted from the first division to the premier league when they shared a goalless draw with Dumbarton—the team they meet in the fourth round of the Cup on February 14. Thistle now have 35 points and cannot be caught. Kilmarnock, second top, beat East Fife in a match that saw Andrew Rutherford, the East Fife striker, ordered off.

Leading goalscorers

FIRST DIVISION: E. MacDougall (Norwich City), 23; A. Bowling (Newcastle United), 22; J. Duncan (Tottenham Hotspur), 18; D. Tueart (Manchester City), 18; P. Noble (Burnley), 16; C. George (Derby County), 15; M. Macdonald (Newcastle United), D. McKenzie (Leeds United), J. Royle (Manchester City), J. Toshack (Liverpool), 14.

SECOND DIVISION: D. Hales (Charlton Athletic), 17; M. Channon (Southampton), 15; L. Bradd (Notts County), P. Cheesley (Bristol City), 14; P. Mariner (Plymouth Argyle), M. Walsh (Blackpool), 13.

THIRD DIVISION: F. Binney (Brighton), 19; A. Buckley (Walsall), 18; D. Cullerton (Port Vale), B. Evans (Cardiff City), R. McNeill (Hereford United), 17; P. Silvester (Southend United), D. Swindlehurst (Crystal Palace), 16.

FOURTH DIVISION: R. Moore (Tranmere Rovers), 26; O. O'Callaghan (Doncaster Rovers), 21; J. Ward (Lincoln City), 20.

Showdown at Edgar Street ends in agreement

By Clive White

Edgar Street on Saturday was the appointed place and time for the showdown between the rival gangs of Hereford United and Crystal Palace. As both sides have the reputation of being the League's most "unwelcome visitors", a meeting on neutral territory might have been more appropriate. In their own backyard Hereford tend to lose a little of their fearlessness and after a few threatening gestures decided to call a truce with the Londoners and the score at 1—1.

They parted amicably, agreeing to share control of the third division until the end of April when both expect to move up into a bigger league. Before the start the Hereford boss, John Sillett, had been tempted to upstage his opposite number, Big Mal. He was to have worn a ten gallon stetson, obtained by his chairman, Frank Miles, when he went to take his bow for winning the whisky as top manager of the month. He said he decided to let his team's boots and legs do the talking instead, but by making the half-hearted effort of wearing a trilby he may have psychologically conceded ground to Malcolm Allison, who himself had left his famed hat back at the hotel.

In such a hesitant atmosphere, it was surprising how direct Hereford were in those early minutes. If Palace heads were still in the clouds after their win at Leeds the previous week, awkward bouncing balls in their penalty area soon brought them down to hard earth. The Palace defence looked brittle and Evans particularly fragile as the Hereford forwards—encouraged by 13 goals in their last four games—ran at them.

Palace eventually got their own defence into better order and with skilful and thoughtful football came back into the game. Their prearranged set pieces were all very impressive, with raised hands and fingers sending players dashing around in all directions. But it was during run of play that they made their best moves.

After 54 minutes a cross by Taylor had Wall racing in to meet it with a sidefooted volley that was sure to score until it hit Hughes on the bottom. From the clearance, though, Davey broke on a brave, surging run that took him the length of the field before he unselfishly slipped the ball inside to McNeil, who pounded it in off the bar. The BBC cameras, which were to have been there before the secret was let out, would have replayed that one from every angle.

Palace were in danger of being removed from the top of the table for the first time this season for just 20 minutes before Swindlehurst inelegantly bundled a cross by Wall in off a post. It was a pity the League would not allow television coverage after the news had leaked, particularly as Hereford insisted it would, in fact, have boosted their gate. Surely if Hereford benefited, that was all that mattered.

HEREFORD UNITED: T. Hughes; S. Emery, S. Ritchie, J. Layton, J. Galley, J. Lindsay, T. Paine, D. Tyler (sub, R. Slikman), S. Davey, D. McNeil, R. Carter.

CRYSTAL PALACE: P. Hammond; P. Wall, J. Cannon, D. Jeffries, S. Evans, N. Chatterton, M. Hinshelwood, A. Whittle, D. Swindlehurst, P. Taylor.

Referee: O. R. G. Nippard (Bournemouth).

Some thorns in United's last practice fence

By Tom German

The last practice fence, as it were, before Manchester United face up to four big hurdles in Liverpool, Derby County, West Ham United and Leeds United in successive and crucial matches at Old Trafford, proved to have a strand or two of thorn just beneath its top dressing. Birmingham City, third from the bottom of the first division, and made to wear the mantle in the first half on Saturday, showed themselves as sterner stuff in the second and had probably persuaded themselves that a point would not have been inappropriate when an atrocious pass gave away another goal and left Manchester United secure, 3—1 winners.

Such is the lot of the downtrodden. Birmingham had scarcely attempted to conceal their discontent at United's second goal, earlier, when McIlroy seemed to run into an offside position as Hill and Macari threaded a way through. A combination of deflation at that late mistake and the earlier sense of injustice no doubt contributed to the upsurge of ill-temper with the match in its last breath, when Styles was sent off—and left with unnecessary petulance—after toppling Coppell and then seeming to stand on his leg. And the day's biggest crowd, over 50,000, left wondering if another Birmingham player had been dismissed after Forsyth was seen clutching his head; in the event, the referee was merely signalling the end of the match and pointing the teams towards the dressing rooms.

That late rush of feeling was out of harmony with the rest of the match with only the occasional ingredient to offer as insulation against the chill of a bleak January afternoon. More could hardly have been expected with the surface bone hard and a cautious tread the best insurance against mistakes. Yet in Hill, in the opening half at least, Manchester United had a player with the confidence and control to use his skills. He recognized the problems defenders had in turning quickly and allowed Birmingham to do the worrying.

Forsyth, using the ball intelligently throughout the match, was another United pillar and it was a sizzling volley from him as a corner kick emerged to him 20 yards out which broke the deadlock and underlined Manchester United's grip on affairs after 37 minutes. Forsyth and Hill, lurking behind the front wave of attack, are proving deadly supporting artillery when the frontal assault fails. To that point, United had trod a stony path down the middle. Hill and Macari finally negotiated it successfully, though, just before half-time as Hill won the ball in a tackle and skipped away to send Macari in. McIlroy looked to run offside in the build-up, but though Birmingham City protested, the referee decided there was no interference with play.

MANCHESTER UNITED: A. Stepney; A. Forsyth, S. Houston, G. Daly, B. Greenhoff, M. Buchan, S. Coppell, S. McIlroy, S. Pearson (sub, D. McCreery), L. Macari, G. Hill.

BIRMINGHAM CITY: D. Latchford; R. Martin, A. Styles, H. Kendall, J. Gallagher, K. Burns, M. Page, T. Francis, P. Withe, J. Calderwood, K. Hibbitt (sub, R. Hatton).

Referee: B. J. Homewood (Sunbury-on-Thames).

Wales announce unchanged side to meet Scotland

The Welsh selectors have named the team to face Scotland in the Rugby Union international at Cardiff on Saturday. There are no changes from the side that beat England at Twickenham.

The party worked out on the sands at Aberavon this morning and during the afternoon engaged in a light-hearted run-about with a soccer ball. There was a team talk by John Dawes, the team coach, and Clive Rowlands, the selection chairman.

John Bevan (Aberavon) and the other stand-off half, David Richards (Swansea), who were the first choices for the Twickenham match, failed fitness tests and were not considered for selection.

Rowlands, a former Wales captain, also announced that the selectors had decided there was to be only one spokesman between the time of selection and the match and that would be himself as chairman.

TEAM: J. P. R. Williams (London Welsh); T. G. R. Davies (Cardiff), R. W. R. Gravell (Llanelli), S. P. Fenwick (Bridgend), J. J. Williams (Llanelli); P. Bennett (Llanelli), G. O. Edwards (Cardiff); A. G. Faulkner (Pontypool), R. W. Windsor (Pontypool), G. Price (Pontypool), G. A. D. Wheel (Swansea), A. J. Martin (Aberavon), T. P. Evans (Swansea), T. M. Davies (Swansea, captain), T. J. Cobner (Pontypool). Replacements: R. F. E. Bergiers (Llanelli), G. Davies (Cardiff), B. Williams (Cardiff), R. Thomas (Llanelli), F. M. D. Knill (Cardiff), D. L. Quinnell (Llanelli).

O'Callaghan and McGann fill Irish vacancies

Barry McGann (Cork Constitution) and Phil O'Callaghan (Dolphin), have been named to fill the two vacancies in Ireland's Rugby Union team for the match against France in Paris next Saturday.

The two men had originally been selected for the home match with Australia at Lansdowne Road on January 17, but had to pull out because of injury. ... played for their respective ... on Saturday and yesterday ... ing, in Dublin, passed a fitness test. McGann will be winning his twenty-first cap and O'Callaghan his seventeenth.

Yesterday's practice session of the Irish party produced two new problems for the selectors however. Stewart McMaster (Ballymena) and Paddy Agnew (CIYMS) did not participate, although present. Agnew suffered a knee injury on Saturday, playing for his club, and McMaster had pulled calf muscle. McMaster however, is almost certain to be available for next Saturday's match.

But Agnew may be suffering from ligament trouble and there must be some doubt about ... A decision on the two men ... not be made before tea time on Wednesday and the party will ... a training session in Dublin ... Thursday before flying to France.

Swimming

Brinkley gains revenge and third gold medal

Amersfoort, Feb 1.—Brian Brinkley, of Britain, won the 200 metres butterfly event at the international swimming meeting here today with a superb final burst of power. Brinkley, whose victory brought him his third gold medal at the three-day meeting, was at one point in danger of losing the event to his main rival, Bruner, of the United States.

With 25 metres to go, Brinkley was three metres behind and looked well-beaten. Then he kicked, the power surged from his six foot three inch frame and he overhauled the American. Brinkley recorded 2min 4.96sec, with Bruner only 32/100ths of a second behind.

Brinkley said: "It was a marvellous feeling to realize I had the ability to attack and defeat Bruner so late in the race. This was a revenge swim—last year I lost to him in California by one thousandth of a second".

Men

200 metres free-style: 1. M. Bruner (US), 1:56.02; 2. D. Northway (US), 1:56.20; 3. B. Brinkley (GB), 1:56.91.
100 metres backstroke: 1. J. Murphy (US), 59.82; 2. W. Artley (US), 59.93; 3. G. Abraham (GB), 1:00.86; 4. S. Bunce (GB), 1:01.13.
100 metres breaststroke: 1. P. Lang (WG), 1:07.24; 2. V. Iltementiev (USSR), 1:07.98; 3. D. Leigh (GB), 1:08.14.
200 metres butterfly: 1. B. Brinkley (GB), 2:04.96; 2. M. Bruner (US), 2:05.28; 3. M. Kraus (WG), 2:06.16.
400 metres medley: 1. M. Bruner (US), 4:41.30; 2. R. Woutering (Netherlands), 4:45.81; 3. R. Cannon (GB), 4:46.38.

Women

200 metres freestyle: 1. E. Brigitha (Netherlands), 2min 04.40sec; 2. ... Ran (Netherlands), 2:08.00; 3. ... Vlassova (USSR), 2:08.25.
100 metres backstroke: 1. U. Richter (EG), 1:04.74; 2. C. Herm... (Netherlands), 1:06.36; 3. N. Garapick (Canada), 1:06.54.
100 metres breaststroke: 1. ... Nazareeuw (Netherlands), 1:14.98; ... M. Van der Linden (Netherlands), 1:15.77; 5. B. Nilsson (Denmark), 1:16.16; 3. M. Kelly (GB), 1:1...
200 metres butterfly: 1. J. Dr... (Netherlands), 2:19.74; 2. Y. Aerbach (Netherlands), 2:21.06; 3. ... Andersson (Sweden), 2:22.50; 7. ... Atkinson (GB), 2:27.92.
400 metres medley: 1. K. L... (EG), 5:05.67; 2. S. Kahle (E...), 5:06.05; 3. N. Garapick (Canada), 5:06.57.

Saturday's winners

MEN: 100m free-style: M. ... (GB), 53.67sec. 400m free-style: ... Bruner, 4:01.86; 2. B. Brinkley, 4:04.99. 200m backstroke: G. Abraham (GB), 2:10.63; 2. S. Bunce (GB), 2:16.02. 200m breaststroke: I. Ku... (USSR), 2:27.53; 4. D. Leigh (GB), 2:29.73. 100m butterfly: Brinkley, 58.48.

WOMEN: 100m free-style: E. Brigitha (Netherlands), 58.70. 400m free-style: A. Maas (Netherlands), 4:26.26. 200m backstroke: U. Richter (EG), 2:19.07. 200m breaststroke: K. Linke (EG), 2:39.00; 6. M. Kelly (GB), 2:44.82. 100m butterfly: D. Deardurff (US), 1:04.54; 7. A. Adams (GB), 1:06.56.

Weekend results and tables

First division

Arsenal	1	Sheffield Utd	0
Aston Villa	0	QP Rangers	2
Derby	2	Coventry	0
Everton	2	Burnley	3
Ipswich	1	Tottenham	2
Leeds	0	Norwich	3
Leicester	1	Manchester City	0
Manchester Utd	3	Birmingham	1
Middlesbrough	3	Newcastle	3
West Ham	0	Liverpool	4
Wolves	2	Stoke	1

	P	W	D	L	F	A	Pts
Manchester U	27	16	6	5	44	23	38
Liverpool	26	13	11	2	44	23	37
Derby County	27	15	6	6	43	36	36
Leeds Utd	26	15	5	6	45	26	35
QP Rangers	28	12	10	6	36	23	34
West Ham Utd	27	13	5	9	37	38	31
Manchester C	27	11	8	8	41	25	30
Middlesbrough	27	10	9	8	27	25	29
Stoke City	27	11	7	9	33	32	29
Ipswich Town	27	8	12	7	33	27	28
Everton	27	9	10	8	44	50	28
Newcastle Utd	27	10	7	10	49	37	27
Leicester City	27	7	13	7	30	37	27
Tottenham	27	7	12	8	38	43	26
Norwich City	27	9	7	11	40	41	25
Aston Villa	27	8	9	10	32	37	25
Coventry City	27	8	9	10	28	37	25
Arsenal	27	8	7	12	31	35	23
Wolverhampton	27	6	7	14	28	40	19
Birmingham	27	7	4	16	37	54	18
Burnley	27	5	7	15	28	41	17
Sheffield Utd	27	1	6	20	18	55	8

SOUTHERN LEAGUE: Premier division: Cambridge City 1, Maidstone 2; Nuneaton 1, Gravesend 0; Tonbridge 2, Stourbridge 1; Yeovil 0, Dunstable 1. First division: North: Redworth 1, Barry 0; Cheltenham 1, Tamworth 1; Enderby 0, Banbury 2; Oswestry 1, Barnet 1; Stevenage 1, Milton Keynes 1; Wellingborough 2, Redditch 2. South: Andover 0, Trowbridge 3; Bexley 4, Poole 1; Bognor Regis 3, Minehead 0; Dartford 1, Romford 0; Dorchester 3, Ramsgate 1; Guildford/Dorking 1, Ashford 2; Salisbury 2, Folkestone-Shepway 1; Waterlooville 0, Metropolitan Police 2.

ARTHUR DUNN CUP: Second round: Old Salopians 0, Old Aldenhamians 0.

Second division

Blackburn	3	Plymouth	1
Blackpool	2	Hull	2
Bristol Rovers	2	Portsmouth	1
Carlisle	2	Fulham	2
Charlton	3	York City	2
Chelsea	1	West Bromwich	2
Luton	1	Notts Forest	1
Southampton	3	Oldham	2

Postponed: Bolton Wanderers v Oxford United; Notts County v Orient.

	P	W	D	L	F	A	Pts
Sunderland	26	16	4	6	41	21	36
Bolton Wdrs	25	14	8	4	44	21	36
Bristol City	27	13	9	5	45	23	35
Notts County	26	13	6	7	36	23	32
Southampton	26	14	4	8	47	32	32
West Brom A	27	11	10	6	27	25	32
Luton Town	27	12	6	9	38	30	30
Oldham Ath	27	12	6	9	40	41	30
Bristol Rovers	27	9	11	7	28	26	29
Fulham	26	9	9	8	33	27	27
Blackpool	27	9	8	10	26	31	26
Orient	25	8	8	9	22	23	24
Plymouth Arg	28	9	7	12	34	37	25
Chelsea	27	9	7	11	33	37	25
Charlton Ath	26	10	5	11	35	44	25
Nottm Forest	27	8	8	11	29	28	24
Carlisle Utd	27	8	8	11	25	34	24
Blackburn R	27	6	11	10	26	31	23
Hull City	27	9	5	13	28	35	23
Oxford Utd	26	5	8	13	25	37	18
York City	27	5	5	17	21	47	15
Portsmouth	27	4	6	17	17	41	14

ISTHMIAN LEAGUE: First division: Barking 3, Hayes 0; Clapton 1, Woking 5; Hitchin 1, Southall and E.B. 2; Kingstonian 0, Sutton United 1; Leytonstone 3, Staines Town 0; Walthamstow Avenue 0, Oxford City 0; Wycombe Wanderers 0, Dulwich Hamlet 1. Second division: Aveley 3, Hampton 0; Corinthian-Casuals 2, Boreham Wood 2; Croydon 1, Fremley 1; Harlow 1, Maidenhead United 1; Hertford 1, Harrow Borough 1; Hornchurch 2, Wokingham Town 0; Horsham 2, Finchley 0; St Albans City 0, Ware 3; Tilbury 1, Walton and Hersham 2; Wembley 1, Chesham United 3.

SCHOOLS MATCHES: Brentwood 2, Queen Mary College 2; Cardinal Vaughan 1, Syon 1; Westminster 0, Charterhouse 0.

Third division

Brighton	1	Mansfield	0
Cardiff	1	Aldershot	0
Chesterfield	0	Gillingham	1
Hereford	1	C Palace	1
Millwall	2	Walsall	1
Peterborough	2	Preston	0
Port Vale	0	Shrewsbury	0
Rotherham	2	Colchester	0
Sheffield Wed	2	Chester	0
Swindon	2	Bury	0
Wrexham	1	Grimsby	0

	P	W	D	L	F	A	Pts
Crystal Palace	27	13	9	5	42	33	35
Hereford Utd	25	14	6	5	46	32	34
Brighton	26	15	3	8	50	29	33
Peterborough	26	11	10	5	45	33	32
Walsall	27	12	8	[illegible]	43	37	32
Cardiff City	26	12	6	8	40	29	30
Wrexham	27	11	7	9	33	30	29
Millwall	27	9	11	7	33	34	29
Port Vale	27	10	8	9	33	37	28
Shrewsbury T	25	11	6	8	33	31	28
Gillingham	26	8	11	7	33	33	27
Bury	25	8	10	7	29	24	26
Preston	26	10	6	10	31	34	26
Rotherham Utd	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Chester	26	9	8	9	28	33	26
Grimsby Town	27	10	5	12	39	47	25
Aldershot	25	7	8	10	32	40	22
Halifax Town	25	7	8	10	27	36	22
Sheffield Wed	26	[illegible]	[illegible]	[illegible]	30	34	[illegible]
Swindon Town	26	9	3	14	33	44	21
Colchester	28	7	7	14	21	45	21
Chesterfield	27	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Southend Utd	27	[illegible]	[illegible]	[illegible]	36	39	19
Mansfield Tn	25	4	7	14	27	39	15

FA CHALLENGE TROPHY: Second round: Atherstone 1, Telford United 1; Bedford 2, Hastings 0; Bromsgrove 1, Leatherhead 0; Burton 0, Stafford Rangers 1; Enfield 3, Bishops Stortford 1; Goole 1, Scarborough 1; Harwich and Parkeston 4, Weymouth 1; Hendon 3, Slough Town 2; Margate 1, Hillingdon 2; Matlock 1, Bishop Auckland 0; Merthyr Tydfil 1, Tooting Mitcham 3; Runcorn 1, Gainsborough 7; Wigan Athletic 1, Grantham 1; Wimbledon 0, Dagenham 0.

NORTHERN PREMIER LEAGUE: Bangor City 2, Fleetwood 1; Boston United 4, Great Harwood 0; Mossley 1, Barrow 0; Northwich Victoria 1, Netherfield 2.

Fourth division

Brentford	2	Northampton	1
Crewe	0	Workington	0
Exeter	2	Barnsley	0
Lincoln	3	Cambridge	0
Southport	0	Tranmere	0

Postponed: Darlington v Swansea City; Reading v Newport County; Rochdale v Bournemouth; Scunthorpe United v Watford; Torquay United v Huddersfield Town.

	P	W	D	L	F	A	Pts
Lincoln City	25	19	3	3	61	21	41
Northampton	26	18	3	5	46	23	39
Reading	27	17	5	5	46	27	39
Tranmere R	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bournemouth	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Huddersfield T	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Exeter City	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Doncaster R	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Crewe Alex	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Newport County	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Torquay United	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cambridge Utd	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Swansea City	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Brentford	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Hartlepool	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rochdale	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Watford	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Stockport Co	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Bradford City	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Barnsley	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Darlington	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Scunthorpe U	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Workington	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Southport	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ATHENIAN LEAGUE: First division: Edmonton-Haringey 0, Worthing 3; Erith and Belvedere 0, Letchworth 0; Lewes 0, Cheshunt 3; Leyton-Wingate 1, Epsom 3; Marlow 0, Hounslow 1; Redhill 0, Rainham 1; Ruislip Manor 2, Alton 1. Second division: Aylesbury 1, Uxbridge 1; Eastbourne United 2, Feltham 0; Egham 1, Camberley 0; Epsom and Ewell 4, Willesden 0; Harefield United 1, Tring 1; Hemel Hempstead 0, Windsor and Eton 1.

ARTHURIAN LEAGUE: Old Ardinians 0, Old Bradfieldians 1; Old Carthusians 1, Old Cholmeleians 2; Old Etonians 5, Old Wellingburians 1; Old Harrovians 3, Old Malvernians 2.

Scottish premier division

Aberdeen	2	Ayr	1
Celtic	2	Dundee Utd	1
Dundee	1	Rangers	1
Hibernian	5	St Johnstone	0
Motherwell	2	Hearts	0

	P	W	D	L	F	A	Pts
Celtic	23	14	4	5	49	30	32
Rangers	23	13	5	5	39	20	31
Motherwell	23	11	7	5	42	30	29
Hibernian	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	28
Aberdeen	23	9	7	7	37	33	25
Hearts	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dundee	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	21
Ayr United	23	[illegible]	[illegible]	[illegible]	30	39	20
Dundee United	22	[illegible]	[illegible]	13	26	38	14
St Johnstone	23	2	2	19	25	57	6

Scottish first division

Falkirk	1	East Fife	1
Kilmarnock	2	St Mirren	1
Montrose	2	Arbroath	1
Morton	1	Airdrie	1
Partick Th	0	Hamilton	1
Queen of South	2	Dumbarton	0

Postponed: Dunfermline v Clyde.

	P	W	D	L	F	A	Pts
Partick Thistle	23	14	7	2	38	18	35
Kilmarnock	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Montrose	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Airdrieonians	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Arbroath	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Falkirk	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
St Mirren	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
East Fife	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dumbarton	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Queen of South	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Hamilton Acad	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Morton	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dunfermline	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Clyde	21	5	3	13	32	41	13

Scottish second division

Alloa	0	Brechin	0
Berwick	1	Stenhousemuir	1
Clydebank	2	Stranraer	1
E Stirling	0	Stirling Alb	0
Forfar	1	Meadowbank	1
Raith	0	Queen's Park	2

Postponed: Albion Rovers v Cowdenbeath.

European football

BELGIAN LEAGUE: RWD Molenbeek 2, FC Liegeois 1; FC Malinois 2, La Louviere 3; Standard Liege 0, Racing Malinois 0; Antwerp 0, Waregem 0.

GREEK: Olympiakos Piraeus 2, Kastoria 0; AEK 1, Yannina 0; Apollon 0, Aris 1; Heraklis 3, Pierikos 2; Panahaiki 0, Panionios 0; Panetolikos 2, Panathinaikos 3; Panseraikos 2, Atromitos 3; PAOK 1, Ethnikos 0.

ITALIAN: Ascoli 0, Roma 0; Cagliari 1, AC Milan 3; Cesena 1, Torino 1; Internazionale 1, Bologna 1; Juventus 1, Perugia 0; Lazio 3, Como 2; Napoli 0, Sampdoria 0; Verona 1, Fiorentina 2.

LUXEMBOURG: Union Luxembourg 0, Aris Bonnevoie 0; Rumelange 3, Stade Dudelange 1; Red Boys 1, Jeunesse Esch 1; Beggen 2, Ettelbrueck 3; Fola 0, Niedercorn 3; Alliance Dudelange 0, Chiers 2.

PORTUGUESE: Benfica 4, Academico 0; Estoril 1, Sporting 0; Porto 3, Farense 1; Setubal 3, Braga 0; Guimaraes 2, CUF 0; Tomar 3, Belenenses 1; Beira Mar 0, Leixoes 1; Atletico 0, Boavista 0.

SPANISH: Barcelona 2, Atletico Bilbao 1; Granada 0, Salamanca 0; Santander 2, Gijon 0; Oviedo 2, Zaragoza 0; Alicante 1, Real Madrid 2; Sevilla 3, Valencia 1; Las Palmas 1, Espanol 1; San Sebastian 4, Sevilla 1.

WEST GERMAN: Cup: Bayern Hof 0, Hamburger SV 2; Schwarz-Weiss Essen 1, Cologne 1 (after extra time); Homburg 3, Darmstadt 98 0; Kaiserslautern 2, Eintracht Brunswick 0; Fortuna Düsseldorf 3, Borussia Mönchen Gladbach 0; Hertha BSC 1, Eintracht Frankfurt 0 (after extra time).

Today's fixtures

FA CUP: Fourth round: Sunderland v Hull City (7.30).
THIRD DIVISION: Halifax v Gillingham (7.30).
LEACH TESTIMONIAL: Queen's Park Rangers v Red Star (Belgrade) (7.30).

…pic Games

…ntreal is …ered …h stool …eons

…hn Hennessy

…k, Feb 1

…mountain of endeavour …, involving the nine-man … board of the International Olympic Committee on one … the seven-man delegation … Montreal Organizing Com… on the other, there … so far as I could see, … ouse, or rather a pigeon, … vement. Whatever else … be in the balance, the … of the pigeons has been

… if she was referring to … variety or the clay, … Berlioux, the director of … for all her excellent com… English was understand… led. We must be patient, … e told, for all would be … on Monday when the … face the full might of … so members of the IOC … y session. Lord Killanin, … ident of the IOC, will … cend from the mountain … ill.

… sounds an unnecessarily … approach to a *serious* … it fits the mood prevail… particularly among Can… servers. One revealed the … Montreal's constructional … ent in the past 12 months. … ey had a hole in the … where the main stadium … e. The work rate is such … now have three where … are to be next door.

… h pool, we were gratified … is ready for use for the … ert of sub-aqua. But un… is a last minute addi… the published programme, … likely to be much use … momentous day in July … pigeons (ornithological, … lay) are released into the … air.

… re issued with a com… which communicated so … we were stunned into … t finished with the tell… clamation that "the … ill open on July 17. … ut when the French ver… read, there was a sig… addition "à Montréal". … assured that is was not … the Gallic tongue, in … se, merely correcting an … the draft communiqué.

… re promised the draft to … point but as it remained … y unavailable, I suppose … stool pigeon is for the … p on July 17. We were … nded to read between the … ave tried both the French … and the English without … k. The Russian text, alas, … denied us.

… is though, a chilling un… in paragraph two which … At first sight the revised … ppear to satisfy all re… its." Yet this statement … ied after eight hours of … n. It requires second sight … between those particular … he latest kite, from *The* … t (this is great flying … is aimed in the direction … Jarry Park baseball … of the Montreal Expos. … Canadian journalist, who, … on consent, knows more about the whole farcical and foolish project than anyone else (even, I beg to suggest, than *The Guardian*, has applied ovoid (athletics track) and rhomboid (baseball diamond) principles in a left-handed sketch to prove that architecturally, it is not feasible. The Expos, therefore, will not have to emigrate to the United States for the coming season. But whether or not *The Guardian* man will have to do so, remains to be seen.

The same penetrating left hand showed how the 35,000 seats in the upper echelons of the spectator ranks will be completed in time (did you know that the stadium is being built from the top—small wonder that the architect has returned to his native France), but the 15,000 at the bottom will have to make do with temporary accommodation. Inoculations will be available to those vulnerable to splinters in sensitive parts.

There is only one other eight-lane athletics track in Canada, at Winnipeg, but 1,000 miles is thought by those who know about these matters to be too far from the mobile changing rooms in Montreal, even for the maratohn runners. My geography is shaky but I imagine the same argument could tell against Los Angeles (another kite flown from time to time), to say nothing of customs formalities.

Our sinistral companion, understandably blackballed by Mayor Drapeau, of Montreal, several years since, traced the trail of duplicity over the matter of the pools (they are needed, for swimming, diving and warm-up) thus. Firstly, in December, 1974, the executive board were told at Lausanne that only 11 months were needed for the construction of the pools. There was oceans of time.

Secondly, in May, 1975, the IOC session at Lausanne were told that seven months were needed. There was plenty of time. Thirdly, in October, 1975, the board were told by Mr Drapeau that the work could be carried out in six months. There was time.

Fourthly, Claude Rouleau, the president of the installation board in Montreal, tells us that only four months were needed for the job. A quick flip across the fingers of the right hand and, hey presto, there was still time.

Yet there is scaffolding even now, under what remains of the main stadium tower, which prevents a start on the pools. I am, however, assured by Sinistral, almost the only man I can trust to tell the plain, informed truth, that this will be removed within a week or two.

How long then to lay down three swimming pools? No one here can say for sure, not even Sinistral, who tells me that the erection, if that is the right word, will need two months for tiling alone, once they have some concrete to tile. Four months will take us to, say, mid-June which leaves one month for testing the purification system, the timing apparatus and the removal of the bodies of stool pigeons.

There seems some substance, therefore, in the rumour that the Canadians wanted the swimming events postponed until October and were given a dusty answer by the board. "In spite of it all", one Canadian said, "I am buoyantly pessimistic." I have a sneaking feeling he was *The Guardian* man's informant, confident enough in dealing with a swimming pools' rectangles but lost in a world of ovoids and rhomboids.

Harold Henning, the president of the International Swimming Federation, is, naturally, dismayed. I gather it would be possible to hold the swimming events in the new Claude Robillard Stadium, where the modern pentathletes will undertake the swimming leg. There is no training pool but this offers "no problem", the Quebecois *mot juste*.

But it seats only 3,800. What of the other 4,200 spectators who have bought tickets and what of FINA's share of the television take on a "full seats" basis? Let us not spoil a beautiful story by bringing in the sordid subject of money.

Last leg: Olga Pall, the downhill champion eight years ago, stands before Innsbruck city hall where the Olympic torch will be kept until the Games open.

…ting

…ry in unique position for Englishman

…nis Bird

…urry is in the unique posi… an Englishman of being … rite to win the Olympic … al in the men's figure … re on February 11. Even … British predecessor as … of Europe, Graham … as never in that happy … He was fifth in the … ter Games.

… asked here today if it … dvantage to be the fav… urry replied: "It's nice … and feel you have a … d many people feeling … way." He will once … contending with the men … n Geneva in the Euro… mpionship last month— … familiar Soviet rivals … Hoffmann, of East Ger… o between them have … world and two European …

… ust also overcome two … Canadians and an … who plans to introduce … 's back somersault. None … orth Americans could … y last year and his pros… k good. He has the … cal advantage of being … ean champion and, more … than that, is the change … wn attitude since last …

… have always been his … t the past. "Until the … opean championship I … el sick to my stomach … knees shaking before … petition". Now, he be… can analyse his ner… n advance and dispose of … Geneva my head was … I felt fit." He attri… highly successful devel… a course in positive … which he took in New … October … nothing to do with skat… t is not an encounter group. It is called Erhard Seminar Training and lasts for two consecutive weekends—four days altogether—from 8.30 in the morning until 3 o'clock at night. There's no hypnosis, merely a trainer leading the weekend with 250 people in a room. I can't say much more. One is asked not to say what happens."

Now, before skating, he takes about half an hour to think himself into the right frame of mind. "I try to find out how I'm feeling nervous, what part of me is shaking. I concentrate on what I'm going to do and I run films of my programme through my head, watching it as though I'm someone else."

Evidently it works, at least in Curry's case. A year ago, the slim 26-year-old Briton was a man of lonely disposition who would have been shy of appearing before a roomful of hard-headed sports journalists. Today he was relaxed and clearly enjoying the chance of discussing his thoughts on skating.

Last year many followers of the sport, and not only British enthusiasts, felt that he deserved to win the European title in Copenhagen. That he finally achieved that aim a year later indicates that the judges have perhaps come some way towards recognizing the validity of his kind of skating. It is also a sign that his free skating has been tailored this year to meet the judges' requirements.

Last season his programme, a highly imaginative performance to the music of Ravel, had been composed for the sheer beauty of it. The jumps were not the principal aspect. That kind of programme, he feels, "is not what the judges are looking for. My competition programmes are now made to please them, constructed to be a technical showcase".

Needless to say, artistry will not be lacking and the music he has chosen, Minkus's Don Quixote, is irresistible. He firmly denied that he is doing ballet on the ice. "You can't. You can only do ballet on the floor. Skating has glide, movement and space which are not in ballet." He has none the less benefited from formal ballet training.

Indeed, his original aim was to be a dancer but his late father, a Birmingham engineer, did not think it a suitable career for a boy. "I never understood why he thought skating was acceptable. I often wonder what he'd have thought now". Curry added sadly. "He'd be proud of you", said *The Times* Sports Editor.

The British champion paid tribute to his trainer, Carlo Fassi—"the best coach"—and to a wealthy American, Ed Moser, who has made his skating career financially possible for the past three years. "If I win I'll go to the world championships (in Göteborg in March) and then think again. It's probably my last year as a competitor."

His ambition one day is "to form a company to present skating as a performing art" not in an ice rink or a big arena but on the concert stage. "I would like to change the emphasis from being purely athletic. We've lost much from the elegance of Grafström and Schäfer", the Olympic champions before the war. "People can now do three turns in the air but cannot skate round the corner."

Curry can spin rapidly in mid air with the best of them and has no peer in the art of smooth cornering on ice. His countrymen will hope that next week his skill will earn Britain's first Olympic figure skating medal since Jeannette Altwegg's victory in Oslo in 1952.

…telski's eye beamed on medal podium

…n Hennessy

… days ago an eminent … r in London said on … that we could expect … two or three medals … he Winter Olympics, … t here on Wednesday. … ime I was not sure … e should be regarded … who should know, or … ho should know better. … so much pie in the … sky then, but now I … sure. We must have … ohn Curry in the men's … since his win in the European championships in Geneva last month, but where was the second coming from, to say nothing of the third?

I chanced to meet Konrad Bartelski, the leading British Alpine skier, in the Olympic village yesterday, and he has led me to believe, without saying as much, that, against all expectations, we should not be too astonished if he found a place somewhere on the podium. I had the temerity to suggest he could hardly expect to get into the first 20, which would itself be a new peak of achievement for Britain, and was promptly told, in the politest possible way, that he would prove me wrong.

Beyond that there was a gleam in his eye that suggests that where the Canadians had led the way he could surely follow. If Kenneth Read and David Irwin could win World Cup races, why could not he win a race of, curiously, less formidable challenge (since all nations are restricted to four entries)? Did not Read finish third behind him in the British championship at Flaine three years ago, and did not Irwin finish well behind him when he (Bartelski) was fifteenth in the world championships at St Moritz two years ago?

Well, yes, these things happened, but Bartelski, through a series of misfortunes, has skied little in the past two years. This year, by some strange quirk, he broke a bone in his leg where the rest of us have no bone at all, and, as a result, he has had only one downhill race, for the Europa Cup. He was second, two hundredths of a second behind Irwin Jose, of Switzerland, at Haus im Ennstal, with a skier of Karl Kordin's class in their wake.

Bartelski was in sparkling form today, both on the Patscherkofel downhill course at Igls and at the finish area. The knee caused him no discomfort, the course still less, he said, a course which unhinged Irwin, the man who least could afford a fall. Irwin had a serious accident in the Lauberhorn at Wengen last month and still has a disorder behind the left ear that gives him headaches.

…st European snow reports

	Depth (cm) L	Depth (cm) U	Conditions Piste	Conditions off Piste	Weather (5 pm)	°C
…	60	135	Good	Crust	Fair	0
…skiing on all slopes						
…	45	160	Good	Varied	Cloud	1
…skiing conditions						
…	20	120	Good	Varied	Fine	5
…d snow conditions						
…	70	140	Good	Varied	Fine	-2
…ent pistes everywhere						
…	30	70	Fair	Heavy	Fine	1
…er weather affected …ng conditions						
…	30	80	Good	Powder	Cloud	-3
…conditions after light …wfall						
…	60	265	Good	Powder	Fine	-3
…conditions on pistes						
…	40	90	Good	Varied	Fine	-3
…tches on lower slopes						
…	45	100	Good	Varied	Cloud	5
…skiing on all pistes						

…above snow reports, supplied by representatives of the Ski …reat Britain, L refers to lower slopes and U to upper.

Squash rackets

Barrington remains as only British hope

By Rex Bellamy
Squash Rackets Correspondent

Jonah Barrington, six times British open champion, is the only British player in the last 16 of the world open squash rackets championship, sponsored by Lucas Industries at Wembley. Ian Holding, the South African amateur champion, who is living and training with the Barringtons, is the only surviving amateur (some leading British amateurs decided a £5 entry was too much to pay for the privilege of testing themselves against the game's finest players).

Other than Barrington, the remaining players represent Pakistan (6), Australia (4), Egypt (3) and South Africa (2). Of the eight seeds, only Ken Hiscoe had trouble. But two of the eight "shadow" seeds were beaten on Saturday. The bearded Holding, aged 20, was too fit and steady for Rehmat Khan, who moved remarkably well considering that he bruised some ankle ligaments a week earlier.

Kevin Shawcross was decisively second best in the fifth game of an attractive match with Aly Abdel Aziz, the man he beat in straight games in the final of the British amateur championship six weeks earlier. During those intervening weeks they went to Sweden together (Aziz works at Göteborg), Aziz turned professional, and Shawcross put on half a stone.

Anthony Swift, who has been national coach for more than three years but is about to take up a new job with the Sports Council, must first spend a few days in hospital. Torsam Khan hit him in the right eye on Saturday (Swift's last day as national coach) and there was apprehension when Swift was taken to hospital. But yesterday's news was encouraging and he coped cheerfully with visitors commuting between Wembley and the Neasden Eye Hospital.

Ahmed Safwat, who is to have an operation on a foot at the end of the season, is testing his pedal equipment to the limit. On Saturday he came within two points of defeat against another Egyptian, Moses Helal, who coaches at Harrow. Yesterday Safwat again lost the first two games before checking and then subduing Rahim Gul, who has only one eye ("It's no problem—there is no difference, for me"). Gul, aged 23, comes from Rawalpindi and is visiting Britain for the first time. He reached the last 16 of the amateur championship and has since turned professional and learned a good deal by playing and watching. Helal and Gul worked Safwat hard. On each occasion he had to chase everything at a time when he felt like chasing nothing.

Today is a rest day for the players and also for an organizing team who include reinforcements from Yarm, a small, old-world town on the Tees, in Cleveland. One of these is the tournament director, Barry Dennis, a former Burnley goalkeeper who is secretary of the International Squash Players' Association. The others are his friends and present assistants, the Dales, a farming family well known for their association with squash at Stockton and tennis at Billingham.

Dennis had to retire from football because of the complications that ensued from a broken leg. Tony Gathercole, the tournament referee, is a former Harlequins wing who gave up rugby because of damaged knee ligaments. The first world open squash championship is thus indebted to farming, to two codes of football—and to what is presumably a considerable if temporary depopulation of Yarm.

Results at Wembley

FIRST ROUND: Q. Zaman (Pakistan) beat D. Williams (Australia), 9—5, 9—0, 9—2; S. Aly (Egypt) beat A. Bottel Hussein (Egypt), 9—0, 9—0, 9—0; M. Asran (Egypt) beat G. Dupre, 9—5, 9—5, 9—5; G. Galal Allam (Egypt) beat Rehmat Khan (Pakistan), 9—2, 9—5, 9—3; A. Aziz (Egypt) beat K. Shawcross (Australia), 9—10, 9—5, 9—6, 9—0; Rahim Gul (Pakistan) beat B. K. O'Connor, 10—9, … [illegible] … G. M. Wilson, 9—6, 9—3, 9—8; M. Thurgur beat R. H. Carter, 6—9, 9—5, 9—1, 9—6; S. Jahan Khan (Pakistan) beat A. Megoid (Egypt), 9—4, 9—1, 9—2; R. Watson (S Africa) beat Amanullah Khan (Pakistan), 9—5, 9—0, 9—0; H. Jahan (Pakistan) beat M. Donnelly (Australia), 9—3, 9—2, 9—7; P. G. Verow beat J. C. Yorke-Long, 9—5, 9—7, 9—3; M. R. Grundy beat N. Faolks, 9—3, 9—6, 9—5; M. Yasin (Pakistan) beat M. W. Corby, 9—1, 9—5, 9—3; M. Khalifa (Egypt) beat P. M. Wright, 8—10, 9—7, 9—4, 9—3; M. Khan (Pakistan) beat P. G. Kirton, 9—0, 9—0, 9—4; E. Donnelly (Australia) beat C. Blackwood (N Zealand), 9—5, 9—6, 8—10, 9—2; W. Reedman (Australia) beat P. Millman, 6—9, 9—5, 9—0, 9—4; T. Khan (Pakistan) beat A. Swift, 9—5, 9—7, 5—0, retired; G. Awad (Egypt) beat B. O'Connor (S Africa), 10—9, 9—6, 9—4; K. Hiscoe (Australia) beat R. H. Johnson, 7—9, 9—5, 9—5, 9—2; G. Alauddin (Pakistan) beat M. Sa'eem (Pakistan) … [illegible] … (Egypt), 9—6, 9—0, 9—0; T. Khan (Pakistan) beat K. Richards (Australia), 9—0, 9—1, 4—9, 9—0; A. Safwat (Egypt) beat Rahim Gul (Pakistan), 5—9, 1—9, 9—6, 9—3, 9—3; J. Barrington (Ireland) beat M. R. Grundy, 9—1, 9—5, 9—5; I. Holding (S Africa) beat M. Thurgur, 9—0, 9—1, 5—9, 10—8, 9—5; G. Hunt (Australia) beat H. Mahmoud (Pakistan), 9—0, 9—2, 9—4; G. Alauddin (Pakistan) beat L. Robinson, 9—5, 9—5, 9—2; K. Hiscoe (Australia) beat G. Awode (Egypt), 10—8, 9—6, 4—9, 9—6; C. Nancarrow (Australia) beat W. Andruss (US), 9—5, 9—4, 9—6.

Racing

Outlook stays bleak with exception of Chepstow

Frost continues to play havoc with the racing programme in Great Britain. Both today's scheduled meetings—at Teesside Park and Nottingham—have been abandoned after racing's first blank Saturday since March 20, 1971.

Teesside and Nottingham were called off after inspections at breakfast-time yesterday. Teesside's clerk of the course, John Chapman, reported the ground "like concrete". It was the second meeting the course has lost in eight days.

The first stage of Nottingham's two-day fixture was also frozen off. David Heyman, the clerk of the course, said yesterday: "The going at Chepstow on Tuesday is good to firm. No inspection is planned. It all depends on what happens overnight, but the stewards are on call."

Fourteen meetings have now been knocked out by the weather this season, 10 of them in the past nine days, and the general outlook for racing this week is far from bright. Tomorrow's other meeting is at Chepstow. John Hughes, the clerk of the course, said: "Prospects are not good but the situation is not altogether hopeless. There was a slight to moderate frost two nights running over the weekend but the weather would not need to improve much to enable us to race."

Newcastle and Windsor make up Wednesday's programme. Fred Newton, Newcastle's clerk, reports: "The course has been frozen for the last three days but the frost is not very deep. Racing depends on the next two days' weather. I have not lost hope entirely."

English-trained horses finished unplaced on the opening day of the flat racing season at Cagnes-sur-Mer yesterday. However, Tony Murray won the Prix Fironzan (£3,263) for three-year-old fillies on Foreign Accent, trained at Chantilly by Charles Milbank.

Murray also finished second in the Prix Sorolla, a handicap worth £5,700, on Dear Black, trained at Maisons-Laffitte by Arthur Bates. The Prix des Camelias (£3,263) for three-year-old colts went to Mrs Malcolm Parrish's Speedy Jujube, trained locally by H. W. Payne.

STATE OF GOING (official): Teesside Park (abandoned, frost and snow). Nottingham (abandoned, frost). Nottingham (tomorrow): 9.30 am inspection today. Chepstow: Good to firm.

Badminton

Denmark secure victory over Britain

Copenhagen, February 1.—Denmark secured victory over England today and will meet Sweden in the finals of the Thomas Cup badminton tournament's European zone.

After a 2—2 tie following four matches yesterday Denmark made a clean sweep of three singles today to take a commanding 5—2 lead with two doubles still outstanding. The deciding game came as Pri, Denmark's reigning All-England champion, overcame a leg injury to beat Whetnall, the English champion, 18—13, 15—7.

The Danish winning streak began as Delfs beat Stevens—who upset Pri on Saturday—by 15—9, 10—15, 15—3. Then Hansen beat Talbot, 15—6, 10—15, 15—11, after Talbot had led 5—1 and 7—3 and stayed even with Hansen at 11—11.

In the two last matches Stevens and Tredgett teamed up to beat Petersen and Hvalsoe, 9—15, 15—10, 15—11, and Delfs and Hansen beat Sutton and Eddy, 15—8, 15—12, to make the final score 6—3.—AP.

Golf

South Africans to play off

Johannesburg, Feb 1.—The South Africans, Dale Hayes and John Fourie, tied on 287 after the fourth and final round of the South African Open golf championship here yesterday and will compete in an 18-hole play-off on Monday.

LEADING SCORES (South Africans unless stated): 287: D. Hayes 75, 69, 71, 72; J. Fourie 74, 73, 71, 69; 290: W. Brask (US) 80, 73, 69, 68; 291: P. Townsend (GB) 73, 72, 76, 70; 293: R. Charles (New Zealand) 75, 76, 72, 70; 294: G. Player 77, 72, 74; C. Lourens 75, 71, 71, 77; 296: A. Henning 75, 75, 76, 70; R. Taylor 74, 78, 72, 72; B. Lincoln 79, 73, 72, 73; 298: M. McNulty 78, 74, 74, 72; 299: P. Elson (GB) 81, 77, 70, …

Real tennis

Winchester seem strongest of four bulwarks

Winchester, the holders, will meet Harrow and Eton will play Rugby in the semi-final round of the Henry Leaf Cup at Queen's Club on Saturday. The final of this old boys' real tennis competition will take place on Sunday.

These four schools are the bulwarks of the event and year by year, since it began in 1923, one of them wins. The challenge from other teams, Clifton, Charterhouse, Wellington and Malvern, for example, remains unrequited. At the moment Winchester, with Howard Angus, Alan Lovell and Peter Seabrook, look head and shoulders above the others.

Not one of the four semi-finalists dropped a rubber over the weekend. Only two of the 12 rubbers played went to three sets. Winchester put out Clifton 3-0 and Harrow beat Eton III by the same score on Saturday; Eton I and Rugby whitewashed Wellington and Eton II respectively yesterday.

The match between Eton I and Wellington held out the best prospect of a breakthrough, but that began to dim when Jonathan Walsh beat Murray Glover 5—6, 6—2, 6—3, in the match between the second strings. Glover was the cleverer and more experienced player; Walsh the younger, more aggressive and diligent in his retrieving.

The effort of winning the first set took a lot out of Glover.

HENRY LEAF CUP: First round: Winchester beat Clifton 3—0. H. R. Angus beat J. P. Willcocks, 6—1, 6—2; A. C. Lovell beat N. J. B. Cooper, 6—1, 6—3; P. G. Seabrook beat R. J. Petter 6—1, 6—3. Harrow beat Eton III 3—0. R. B. Bloomfield beat D. Nation, 6—2, 6—2; R. L. O. Bridgeman beat W. Wilks, 6—5, 6—1; L. N. Readman beat D. M. Nurman, 6—6, 6—2, 6—1. Eton I beat Wellington 3—0. J. J. Reiss beat A. D. Windham 6—1, 6—4; J. G. M. Walsh beat H. M. Glover, 5—6, 6—2, 6—3; J. W. Leonard beat A. R. Norton, 6—2, 6—3. Rugby beat Eton II, 3—0. G. W. T. Atkins beat D. A. Barnett, 6—1, 6—3; D. J. W. Warburg beat A. J. H. Ward, 6—1, 6—0; P. Kershaw beat T. M. E. Pugh, 6—3, 6—1.

Athletics

Miss Lynch raises questions from all-powerful East Germans

By Neil Allen
Athletics Correspondent

East Germany beat Britain at indoor athletics by nine United Kingdom all-comers records to six personal best performances from the home side. That method of scoring, more than the traditional final points scores, emphasizes the imbalance of Saturday's match (sponsored by Philips Electrical Ltd) at Cosford in which Britain won only four out of 21 events.

The East German winners ranged from competent to superb. What polish, poise and explosive capacity they demonstrated, whether it was Kirst and Beilschmidt, battling all the way up to 7ft 4½in in the high jump, Reinhardt, coming through with such agility in the pole vault, or the 5ft 10½in, 13 st 8 lb Ilona Schoknecht flicking the 8 lb 13 oz shot away almost as though it was a pebble.

My colleague, Eberhard Bock of *Deutsches Sportecho*, had his tongue in his cheek when he told me that the East German team for the European indoor championships in Munich on February 21 and 22 would not be large because "we do not have so many people compared with your 55 million".

The usual East German policy is to take 12 athletes and win 12 medals. Their depth in some events is indicated by Bock's comment on Doris Maletzki, who won the 400 metres on Saturday and the previous weekend had set a world indoor best of 51.9sec. He said: "She was a 200-metre specialist who, two years ago in Dresden, came second when Renate Stecher set a world 200 metres record. Now I would say Maletzki has a chance of taking the fourth place in our 4 x 400 metres relay team in Montreal. But there are at least five others who could be better."

The only British athlete Bock asked me to interview for him was Andrea Lynch. "Ask her what electronic time will be necessary to win the Olympic 100 metres in Montreal." Miss Lynch was still sniffing and wheezing from a head cold after winning the 60 metres. Sipping a brandy, for medicinal reasons, she wrote down 11.00sec and then added firmly: "Tell your friend that's what *I* will do".

Britain's only other victories at Cosford came from Ainsley Bennett, always a fighter when the chips were down, in the 400 metres, Aston Moore in the triple jump and Sonia Lannaman, Wendy Clarke, Helen Barnett and Verona Elder in a 4 x 200 metres relay in which both teams made errors but the visitors' was, as Bock admitted, more catastrophic. All of Britain's victors come from West Indian stock and I hope their success will be a stimulus to boys and girls with a Caribbean flavour in schools from Brixton to Birmingham.

A word of special praise for Michael Butterfield, of RAF Cosford, who, in spite of suffering from glandular fever, insisted on high jumping and cleared 7ft 1in, which understandably made the trackside WAAFs jump up and down and shriek in excitement.

Sitting high in the stands was Alan Pascoe, a reminder that neither he nor Britain's other winners (Foster, Jenkins, Ovett and Capes—the last named now in the United States) in last summer's European Cup final in Nice were in action on Saturday. For those who go in for indoor competition there will be an additional reward this winter in an 18-event match against Canada in Montreal on March 5. That will be worth going to in exploration, for even the athletically omniscent East Germans are somewhat mystified about next summer's Olympics in Maple Leaf land.

Results at Cosford

Men

TRACK: 60m: 1, E. Ray (EG), 6.6sec (United Kingdom all-comers record); 2, K-D. Kurrat (EG), 6.7; 3, A. Thieme (EG) (guest), 6.8; 4, L. Piggot (GB), 6.8; 5, C. Monk (GB), 6.9. 60m hurdles: 1, T. Munkelt (EG), 7.7 (equal United Kingdom all-comers record); equal 2, B. Price (GB), W. Becker (EG), 7.9; 4, R. Dauwitz (EG), 8.2. 400m: 1, A. Bennett (GB), 48.8; 2, S. Scutt (GB), 48.6; 3, A. Scheiber (EG), 48.6; 4, G. Arnold (EG), 48.8. 800m: 1, G. Stolle (EG), 1min 49.6sec; 2, P. Lewis (GB), 1:50.6; 3, E. Gohlke (EG), 1:50.6; 4, P. Browne (GB), 1:51.8. 1,500m: 1, K. P. Justus (EG), 3:46.1; 2, G. Grant (GB), 3:46.7; 3, R. Smith (GB), 3:47.1. 3,000m: 1, F. Baumgartl (EG), 7:57.6; 2, R. Smedley (GB), 7:58.6; 3, J. Straub (EG), 8:2.8; 4, A. Holden (GB), 8:13.6. 4 x 200m relay: 1, EG, 1:27.3; 2, GB, 1:28.5.

FIELD: Shot: 1, H-J. Rothenburg (EG), 66:9¼; 2, G. Lochmann (EG), 66:1¾; 3, W. Tancred (GB), 60:6½; 4, R. Dale (GB), 56:6. High jump: 1, E. Kirst (EG), 7:4½ (United Kingdom all-comers record); 2, R. Beilschmidt (EG), 7:4½; 3, M. Butterfield (GB), 7:1; 4, M. Palmer (GB), 6:6. Long jump: 1, P. Peiger (EG), 24:10; 2, R. Mitchell (GB), 24:5½; 3, H-D. Herfoth (EG), 23:11½; 4, D. Porter (GB), 23:7¾. Triple jump: 1, A. Moore (GB), 52:5¾; 2, L. Gora (EG), 51:9½; 3, G. Drehmel (EG), 51:5½; 4, D. Johnson (GB), 50:8. Pole vault: 1, W. Reinhardt (EG), 17:3½ (United Kingdom all-comers record); 2, A. Webber (EG), 17:0½; 3, B. Hooper (GB), 16:1; 4, M. Bull (GB), 16.1.

MATCH RESULT: East Germany, 73½ pts; Britain, 48½.

Women

TRACK: 60m: 1, A. Lynch (GB), 7.3; 2, C. Brehmer (EG), 7.3; 3, S. Lannaman (GB), 7.3; 4, C. Bodendorf (EG), 7.4. 400m: 1, D. Maletzki (EG), 53.6; 2, B. Rohde (EG), 53.9; 3, V. Elder (GB), 54.2; 4, P. Lloyd (GB), 55.9. 800m: 1, C. Neumann (EG), 2:5.8 (United Kingdom all-comers record); 2, E. Zinn (EG), 2:6.2; 3, K. Colebrook (GB), 2:8.6; 4, S. Ryson (GB), 2.12.4. 1,500m: 1, W. Strotzer (EG), 4.12.4 (United Kingdom all-comers record); 2, M. Stewart (GB), 4:17.3; 3, L. Harvey (GB), 4:31.7. 60m hurdles: 1, A. Ehrhardt (EG), 8.1 (United Kingdom all-comers record); 2, A. Fiedler (EG), 8.3; 3, E. Sutherland (GB), 8.3; 4, L. Booth (GB), 8.3. 4 x 200m relay: 1, GB, 1:37.7; 2, EG, disq.

FIELD: Shot: 1, I. Schoknecht (EG), 62:11½ (United Kingdom all-comers record); 2, B. Griessing (EG), 60:4½; 3, J. Kerr (GB), 50:7½; 4, J. Oakes (GB), 49:7¾. Long jump: 1, A. Voigt (EG), 21:2; 2, S. Reeve (GB), 20.5½; 3, M. Nimmo (GB), 20:4½; 4, M. Voelske (EG), 19:8. High jump: 1, R. Ackermann (EG), 6:2 (United Kingdom all-comers record); 2, R. Kirst (EG), 6:1; 3, G. Hitchen (GB), 5:9; 4, D. Cooper (GB), 5:9.

MATCH RESULT: East Germany, 55 pts; Britain, 37.

Rowing

When Leander cried out for Bogart

By Jim Railton

The Henley Reach over the weekend was for romantics and the Leander club a place of intrigue. Up to 80 oarsmen took part in Olympic trials for the 19 places available for the British rowing team—assuming that all eight boats will be selected and that the national eight is in itself already preselected.

This weekend's trials did not really matter: selection will depend on outright performances on a foreign shore in Mannheim, Ratzeburg and Duisberg in May. This was a weekend for sizing up the opposition without revealing the final hand, rowing in single file up and down the Henley course in mini-head races somewhat distant from the six-abreast, still-water contests that lie ahead.

Boats should not move at their best at this time of the year and they did not. Saturday was a trial by ordeal with a freezing wind and hostile water, the Royal Regatta enclosures somewhat reminiscent of a passed over battlefield. All that was missing from Leander—a tangled grapevine of gossip over the weekend—was a Humphrey Bogart lisping aside "Play it again Sam". For it was here that you picked up the shape of things to come.

The main attraction of the year—the British eight—did not make an appearance. But strong rumours have it, that national coach, Janousek, has already picked six of the national eight leaving four others to fight for two places. The favoured six are: Smallbone (stroke), Yallop, Crooks, Matheson, Maxwell and Clark—all 1974 world silver medal winners—leaving Robertson, Mason, Ayling and Lester fighting for the two remaining seats. It may well be three with Maxwell in a plaster jacket for perhaps a month with a back injury.

So with just over five months to go before the Olympic regatta, six or now possibly five of the British eight have seemingly secured their places, and with seven weeks to go to the Boat Race seven of the Oxford eight have captured the coaches' eyes, leaving Wiggins, a freshman, and Wright fighting for the final seat.

While Cambridge hid their somewhat suspect talents under a bushel in the frozen fens over the weekend, Oxford were in extrovert mood. Rowing in two coxed fours in different combinations over the weekend, Oxford finished first and fourth in this category of boat on Saturday and took the first two places yesterday. That almost in itself is sufficient to warm up the dark blue blood of Oxford supporters, so often in the last decade in need of transfusion.

Just catching the eye over the weekend were two quadruple sculls, out of which a more than respectable crew should emerge, a close contest in coxless fours between Leander and Thames Tradesmen, both with some way to go before achieving Olympic class; Oxford's near monopoly of coxed fours with London University prominent in coxed and coxless pairs, not forgetting Henley Rowing club's double first in coxless pairs through Marsden and Glen.

Those who wish to see Britain's national eight in action should flock to the Tideway on March 27 for the Head of the River race. It is likely to be the only appearance of the British eight in this country. They will be acclimatizing in Canada for the Olympic regatta during Henley Royal regatta and may well ignore Britain's only truly international regatta in Nottingham and opt for Amsterdam instead.

Hockey

North finish on top on goal average

By Joyce Whitehead

The final of the English women's territorial match series was played last Saturday on the sports ground at Folkestone. East beat West 2—1 and although this made them draw on points with the North their score was not high enough for them to take first place. So on goal average North are top territory, East second each with six points, Midlands third with five, South fourth with two and West have one.

Play on Saturday needed an added skill, that of keeping upright. The splendid grass pitch at Folkestone was as hard as a rock. Nevertheless there was some good hockey and the two goals which Valerie Robinson scored, one in each half, were as clever as any seen in the 10 territorial matches.

In the second half West came back into the game attacking with real vigour and towards the end Susan Slocombe got her stick to a fine cross pass from Dorrie Sadler on the right wing and almost softly the ball slipped into the goal. It was a difficult game played well.

There is but one change in the England team announced last Saturday. Gwen Jones (Staffordshire) takes the place of the left inner instead of Mrs Whitworth, who did not stand for election.

ENGLAND: P. Gibbon (Berkshire), M. Birtwistle (Lancashire), A. Lunt (Lancashire), L. Hurley (Leicestershire), S. Wooldridge (Warwickshire), J. Tippin (Devon), M. Souyave (Lancashire), V. Robinson (Hertfordshire), J. Jurischka (Kent), G. Jones (Staffordshire), A. White (Buckinghamshire), capt.

SCOTLAND: J. Stewart (South-west); G. McIntyre (East), A. McLeod (West), M. Brown (East), B. Bell (West), R. Nicholson (Central), E. Borrowman (Central), B. Graham (West), H. McFedzean (East), M. Craigie (Midlands), W. MacCallum (Central).

Territorial table

	P	W	D	L	F	A	Pts
North	4	2	2	0	6	3	6
East	4	3	0	1	6	5	6
Midlands	4	2	1	1	2	4	5
South	4	1	0	3	2	5	2
West	4	0	1	3	3	8	1

British hopes now rest on play-off against Belgium

By Sydney Friskin

Great Britain are still uncertain of a place among the 12 teams who will take part in the Olympic hockey tournament in Montreal from July 18 to 30. Their agony has been prolonged because of a surprising decision by the Federation Internationale de Hockey that Britain should be involved in a three-match play-off against Belgium in Amsterdam on March 19, 20 and 21.

With less than six months to go for the Games, this is not a satisfactory situation. Only three days ago nine of the 12 vacancies were officially filled, leaving five countries—the Netherlands, Britain, Malaysia, Belgium and Poland—in contention for the remaining three.

The axe fell on Poland who had little claim. Malaysia and the Netherlands were squeezed in at the final session of the FIH council on Saturday evening and Britain and Belgium were left to sweat it out. Malaysia were fourth in the third World Cup in Kuala Lumpur, the Netherlands fourth in the Olympic Games at Munich.

The pools into which the teams are to be divided are—A: India, Australia, the Netherlands, Malaysia, Argentina and Canada; B: Pakistan, West Germany, New Zealand, Spain, Kenya and Britain or Belgium. West Germany and Pakistan, winners and runners-up respectively at Munich, are, oddly enough, in the same pool.

After the last Olympics when the FIH decided to cut the number of participating teams from 16 to 12, they must have realized that there would be a scramble for selection. After it had been declared that only the winners and runners-up (together with the host nation) would automatically qualify, there seemed to have been no proper guide lines for selection other than the system of giving all five continents representation.

In the geographical context as opposed to merit and past records, Kenya, who finished thirteenth at Munich where Britain were sixth, were among the first nine teams to whom vacancies were allotted for Montreal. Similarly Argentina, winners of the hockey event at the Pan-American Games, earned a place in spite of finishing fourteenth at Munich.

Australia's selection was justified on the grounds of their superior record in Australasia, not to mention the fact that they finished fifth at Munich. One must assume that New Zealand were picked by virtue of a victory at home over India, although they were ninth in Munich and seventh in both the second and third World Cups.

Britain's sixth place in Munich (supported by England's sixth in Kuala Lumpur and Amsterdam in the second World Cup) was apparently not good enough to gain preference over Belgium, who were tenth in Munich. Their case was strengthened by two factors—a 1—0 victory over Britain in the six nations tournament last April in Brussels (which was won by Britain) and their achievement in finishing runners-up to India at Madras last month. If Britain had found the money to go to Madras as they had intended, the coming trip to Amsterdam and the extra demands on their exertions might not have been necessary.

Come what may in Amsterdam, there are still other rays of hope. In the case of the withdrawal of a qualifying country, vacancies will go to other countries in the following order: the loser of the Britain v Belgium play-off; Japan, France and Mexico. In the case of Kenya withdrawing, Ghana will fill the vacant African place, their twelfth and last place in Kuala Lumpur notwithstanding.

The eastern final of the national club hockey championship between Bedfordshire Eagles and Bury St Edmunds was postponed at Luton yesterday because the ground was considered unfit for play. The game will be played at the same place next Sunday, starting at 1.45 pm. At Ben Rhydding, Furness defeated Timperley in the northern final by 1—0 after extra time.

Science report

Astronomy: Solar system debris

A new scheme for mapping debris in the solar system by watching for the occasional blotting out of light from a star by small comets may help astronomers to understand how the galaxy came into being. The idea, put forward by Dr M. E. Bailey, of Edinburgh University in *Nature*, is to use a sensitive television system attached to an ordinary optical telescope to watch for the tell-tale "occultations".

In that way about a thousand stars could be watched for periods of many hours, an almost impossible chore using photographic plates. How frequently the stars flashed on and off would give a measure of the amount of material present.

The ultimate aim would be to confirm the existence of the belt of cometary material, containing bodies with diameters from a few kilometres to 100 kilometres, which is thought to ring the edge of the solar system, about fifty times farther from the Sun than the Earth. Astronomers think that this belt may contain as many as 10 thousand million comets, about a tenth of the total number in the whole solar system, and Dr Bailey's calculations suggest that one of these comets would pass in front of one of the stars being observed every 11 hours.

Because that belt is on the fringes of the solar system, farther out than the outermost planet, Pluto, its precise nature and the related question of how many comets there are elsewhere in the galaxy are of great interest to scientists studying the evolution of the galaxy as a whole. It is believed that comets contain an unusually high proportion of the heavier elements, and if there are enough of them in the galaxy it could make a considerable difference to present ideas about its chemical make-up and how it evolved.

By Nature-Times News Service.
Source: *Nature*, January 29, 259, 290, 1976.

Nature, the international science journal, is published weekly in London by Macmillan Journals Ltd.

HOME NEWS

Liberal Chief Whip rejects offer by Mr Thorpe to resign 'if party is being damaged'

By Michael Hatfield
Political Staff

Mr Thorpe yesterday offered to resign the leadership of the Liberal Party if he was advised that recent events were damaging the party's interests. No such advice was given to him by Mr Cyril Smith, the party's chief whip.

The disclosure of Mr Thorpe's offer was made by Mr Smith. He stated: "Mr Thorpe has said to me that if I advised him that it was in the best interests of the party to resign he is prepared to resign. I have not so advised him and have no intention of doing so."

Mr Smith added that he would have advised Mr Thorpe to resign if he thought he was guilty. When asked to explain what he meant, Mr Smith said: "If I thought he was guilty of corruption or bribery or telling lies, then I would not consider those to be the qualities for the leader of a national party. But I do not believe he is guilty of any of those things."

Mr Thorpe will attend a meeting of the Parliamentary Liberal Party tonight. He and Mr Smith are expected to recount to Liberal MPs the conversations that have taken place between them in the past 24 hours.

Mr Thorpe was in touch with Mr Smith late on Monday night when it was learnt that Mr Peter Bessell, a former Liberal MP, had given an interview in which he referred to what were said to be the contents of a letter sent to his London solicitors. Mr Thorpe is understood to have telephoned to Mr Bessell, who is living in the United States.

Several Liberal MPs, including Mr Smith, were told the contents of the letter, although not shown it. It is said to be in the possession of Scotland Yard. In the letter, Mr Bessell, who was Liberal MP for Bodmin from 1964-70, is said to have explained why he made payments to Mr Norman Scott, who recently made allegations involving Mr Thorpe.

Mr Bessell is stated to have said that he made the payments to protect his own name, not Mr Thorpe's. He was worried lest revelations about a relationship with a woman should harm him.

However, Mr Bessell yesterday issued a statement through his London solicitors, Sacker and Partners, in which he stated:

I have been asked to make a statement with reference to Mr Norman Scott. Since I understand that it is possible that I might be required to give evidence in these matters, I have concluded that it would be inappropriate to make a detailed comment. There are, however, two points which must be cleared up immediately. First, the retainer which I or my company, Peter Bessell Ltd, paid to Mr Scott many years ago over a period of several months amounted in total to no more than two or three hundred pounds.

The sum involved was solely intended to help Mr Scott to establish himself at a time when he was destitute. No further significance should be read into those payments. In particular, I reject utterly the suggestion that they were paid for on behalf of a third person.

Secondly, I have no knowledge whatsoever of any alleged payment to Mr Scott of £2,500 [This refers to an allegation that Mr Scott was given that amount of money on the day of the general election in February, 1974]. At the time when it was reported that this payment was made I was recovering from a very serious illness, was totally penniless and out of communication with everyone, including my immediate family.

I am also informed that it has been suggested that my continued absence from Britain is being attributed to a fear on my part that if I return I might be bankrupted. There is no truth in this suggestion. About a year ago, with the exception of one claim by my company's former solicitors, Messrs Leonard Ross and Craig, which claim I am rigorously defending, the general cooperation of my personal creditors enabled a settlement to be made which, I believe, precludes such a possibility.

Two years ago I suffered a coronary from which I am not yet fully recovered. That illness, coupled with the facts that I no longer have a home in Britain and must concentrate upon trying to earn a living here, are why I have no plans to return. I have no intention of making a further statement.

Mr Smith, after his discussion with Mr Thorpe, said he had been assured that Mr Bessell's original statement had been made, had been received by solicitors, was along the lines intimated in the press and was with the police. Mr Thorpe would be taking no further action. "If he does, it will be in the form of writs."

He said among letters supporting Mr Thorpe was one from the Cheadle constituency party saying there would be resignations if Mr Thorpe was removed.

MP told not to interfere

Mr John Stonehouse, who has threatened to resign from the Parliamentary Labour Party, yesterday accused a neighbouring Labour MP of invading his constituency of Walsall, North. He warned Mr Bruce George, MP for Walsall, South, to get out and stop interfering and said it was a myth that Mr George had been helping his constituents.

Mr Stonehouse has already written to Mr Robert Mellish, Government Chief Whip, to revoke the adoption of Mr David Winnick as by-election candidate in Walsall, North. Yesterday he repeated his threat to reconsider his position as a member of the Parliamentary Labour Party unless steps were taken to revoke Mr Winnick's candidature.

Mr George said: "When he was feared drowned in November, 1974, I willingly assumed responsibilities for his constituency. As long as his constituents wish to come for assistance I will not turn them away."

Convention unity in Ulster is deceptive

From Christopher Walker
Belfast

The deceptive unity of yesterday's brief first sitting of the recalled constitutional Convention was shattered last night by hard-line speeches from the two leading members of the dominant "loyalist" coalition.

Earlier the 78 members of the Convention agreed, with only one dissentient, to support an all-party motion in favour of renewed inter-party talks under the chairmanship of Sir Robert Lowry, Lord Chief Justice of Northern Ireland.

Although the talks got under way during the afternoon, they will be of little significance until the crucial session between the two main opposing groupings, the largely Roman Catholic Social Democratic and Labour Party and the United Ulster Unionist Coalition. That has been tactfully postponed.

During the 39 minutes of the recalled Convention's full session the only speech was a rambling monologue by Professor Kennedy Lindsay, the sole representative of a minority party that wants Northern Ireland to be granted dominion status.

The new role of the chairman was outlined when Sir Robert addressed the Convention members, reminding them firmly of the stipulation laid down by the Government in its recent command paper: "The greater the measure of support for any proposed system of government within Northern Ireland, the more likely it is that Parliament would be prepared to approve the necessary legislation".

The true feelings of the loyalist leaders became evident later at a Protestant rally in the Orange Hall at Banbridge, one of a series designed to arouse popular support for the original report of the UUUC. That ruled out executive power-sharing and was firmly rejected by Westminster last month.

The few politicians on the loyalist side who have expressed support for a temporary coalition received strong personal attacks by two leading figures in the coalition, Mr Harry West, of the official Unionists, and the Rev Ian Paisley.

"The Ulster Loyalist and Protestant people must now, with grim determination and unswerving steadfastness, refuse to yield another inch and must demonstrate to the world that they are not prepared to be sacrificed by Harold Wilson on the altar of political expediency", Mr Paisley declared.

More speeches in similar vein, aimed at destroying support for the more moderate Protestant politicians are planned.

Many moderate politicians think that the nightly airing of such uncompromising opinions has already ruined any possible chances of the Convention reaching the necessary agreement to get devolved government.

Strasbourg, Feb 3.—The European Commission of Human Rights has decided to reject seven personal applications alleging ill treatment and torture by British security forces in Northern Ireland.

The commission gave no details of why the applications had been rejected.—Reuter.

Reality among myths, page 14

Morale of military police 'low'

From a Staff Reporter
Belfast

Allegations of serious discontent among military policemen in Northern Ireland were being investigated yesterday by senior officers at British Army headquarters.

The allegations came in an anonymous, duplicated letter sent to *The Times* by an unspecified number of men serving with 180 Provost Company, part of the second regiment of the Royal Military Police, which has responsibility for the greater Belfast area.

Dated February 2, and sent through the Forces' post office in Belfast, the typewritten letter stated: "The effectiveness, willingness, and the morale of the company is being steadily destroyed."

It continued: "The numbers of hours worked are being steadily and predictably increased. Hours have been increased from just under 75 to nearly 90 a week."

It said: "The men and their families are breaking up just like the overworked and under-maintained duty vehicles they drive."

Calling for an inquiry, the letter concluded: "Bad management in this job is dangerous, not only to the men involved, but more important, to the country we wish to serve and the society we are trying to police."

Keith Littlejohn granted order

Keith Littlejohn, the younger of two British brothers in a Dublin jail for their part in a £67,000 bank raid in 1972, was granted a conditional order of habeas corpus in the High Court in Dublin yesterday.

Mr Justice Butler said the case should be brought forward again on February 16 for the Dublin Government to show cause why Mr Littlejohn was being held.

Tories back 1978 Europe election

By David Wood
Political Editor

All the signs are that Mrs Thatcher and the Shadow Cabinet will soon come out in favour of direct elections to the European Parliament in 1978. They have had two meetings to consider the recommendations of a party committee, under the chairmanship of Sir Anthony Royle, a former Minister of State at the Foreign Office, and their general drift is that 1978 is an achievable target in spite of many difficulties.

The Royle committee proposes that for the first direct election of 67 members to the European Parliament the United Kingdom should keep to the principle of first past the post, rather than any unfamiliar system of proportional representation. That means the boundaries commissions will have to carve up the 635 parliamentary constituencies into regional groups, probably without trespassing over Scottish and Welsh frontiers.

Greater London, it is reckoned, would have no more than seven members in the United Kingdom delegation to Strasbourg and Luxembourg. Even so, there is a danger that Scotland would object to the allotment of no more than the six seats allotted to Luxembourg, with a population only one sixth of Scotland's.

The so-called dual mandate (that is, the delegation of Westminster MPs to the European Parliament) has been firmly rejected by the Royle committee, on the demonstrable argument that even now, before the European Parliament has the full powers that will follow from direct election, it has proved an almost impossible burden for MPs to serve two masters and be in two places at once.

Initial direct elections on the British system are considered necessary for 1978 simply because neither the boundary commissions nor the party organizations could be expected at short notice to adjust to any new system.

Nevertheless, it is assumed that after the direct election of the European Parliament for a term of four years the United Kingdom should conform to the general system favoured by a majority of the Nine, which would probably mean proportional representation.

That is among several questions that will have to be answered in the second part of the Royle committee's report, after consultation with Conservative Central Office.

There is also another important stumbling block. None of the main United Kingdom political parties is financially stable enough to welcome added expenditure in fighting new European elections, and the question arises how the bills for European direct elections and the consequent party reorganization will be met. A section of the Conservative Party is opposing any suggestion that the political parties outside Westminster should be financed by subventions from the taxpayer.

Some of the difficulties may look easier to resolve when Mr Callaghan, Secretary of State for Foreign and Commonwealth Affairs, produces a "green-edged" White Paper on direct elections to the European Parliament later this month.

Farmer to keep 2-bedroom 'stable'

The Department of the Environment ruled yesterday [...] an elderly Cornish farmer [...] keep the bungalow he bui[...] his retirement.

Mr H. J. Osman, of Pe[...] near Liskeard, upset Ca[...] district council when it [...] covered that the stable [...] which he had planning pe[...] sion contained a kitchen, [...] room, lounge and two bedr[...] It served an enforcement n[...] ordering him to demolish [...]

He appealed and an in[...] was held last July. [...] Butler Stoney, the insp[...] recommended that cons[...] tion should be given to the [...] tenuating personal ci[...] stances.

The inspector's recomm[...] tion carried the proviso [...] permission to retain the [...] ing should be temporary [...] personal to Mr Osman, [...] would secure its eventu[...] moval.

Opponents launch campaign to monitor the EEC

By Our Political Correspondent

If the European Community attempted to assert controls over British North Sea oil a political situation could develop in which the United Kingdom might want to withdraw from the EEC, Mr Bryan Gould, Labour MP for Southampton, Test, said yesterday.

"Such a dispute would be crucial", he said, "because North Sea oil is one of our most important resources. A most enormous battle would break out if the EEC wanted to have control of taxation, depletion rates and so on."

Mr Gould was speaking at a House of Commons press conference to launch the Safeguard Britain Campaign, in which various organizations that opposed entry into the EEC are represented.

MPs on the steering committee include Mr Gould, Mr Enoch Powell (Down, South, United Ulster Unionist), Mr Neil Marten (Banbury, C), Mr Douglas Jay (Wandsworth, Battersea, North, Lab), and Mr Michael Clark Hutchinson (Edinburgh, South, C).

The idea is to keep in being a watchdog organization. Its aim will be to comment on and publicize the adverse consequences of membership of the EEC; to press for changes that will more accurately reflect United Kingdom interests; to try to strengthen parliamentary control over decisions taken in Brussels; and to resist those steps, particularly any move towards federalism, that run counter to Britain's interests and have not been endorsed by the British people.

The campaigners will point out that many of the forecasts made by EEC opponents had come true. The prices of most basic foodstuffs were now much higher in the EEC than in the world outside, and prices in the United Kingdom would have to rise still higher to meet EEC levels

Recommendation dropped from certain baby milks

By Our Medical Reporter

The Department of Health and Social Security has agreed that National Dried Milk and similar proprietary brands of baby milk can no longer be recommended for babies less than six months old. Supplies will still be available for healthy infants over that age.

Announcing the decision in a Commons written answer yesterday, Mr Meacher, Parliamentary Under-Secretary at the department, said urgent discussions were going on about supplying modified baby milk instead of National Dried Milk to needy families with young babies.

A recent working party concluded that the use of unmodified cows' milk preparations, such as National Dried Milk could no longer be recommended as a substitute for human milk for infants.

Risks that had become increasingly recognized, although not statistically evaluated, were tetany in the first [...] weeks of life and hyperna[...] mia, too high a concentr[...] of sodium chloride, with [...] plications within a few mo[...]

The risks became less a[...] baby grew older. They [...] be disregarded in he[...] infants more than six mo[...] old.

Our Medical Correspon[...] writes: Several dried milks [...] conform with the new re[...] mendations and are safe [...] very small babies are avail[...] but they cost more [...] National Dried Milk. Howe[...] the hazard from the milk p[...] ders condemned by the De[...] ment of Health and S[...] Security should not be exa[...] ated. Millions of babies [...] been reared on them

There is a danger if [...] mother uses too much pow[...] in making up the feed or if [...] baby is dehydrated from v[...] ing, diarrhoea or a raised [...] perature. Otherwise the h[...] is small.

Unions prepare to act on fuel disconnexions

By Pat Healy
Social Services Correspondent

Two leading trade unions were preparing yesterday to take action to stop disconnexions of fuel supplies to old people and those with young children.

The Transport and General Workers' and the General and Municipal Workers' unions both responded to the demand that they should instruct their members to stop cutting off supplies in cases of hardship.

The general council of the GMWU decided to seek an urgent meeting with Mr Frank Field, director of the Child Poverty Action Group, which made the call.

Mr Jack Jones, general secretary of the TGWU, said he wanted to call the unions concerned together to discuss how they could act on the proposals. He is hoping that the meeting will take place tomorrow, when the electricity supply unions are also due to meet.

Mr Field said that Mr Jones apparently had in mind arranging meetings with fuel boards to argue for small local groups to be set up to discuss disconnexion cases before supplies were cut off.

The unions' action came as the toll of deaths among elderly people from hypothermia mounted. Mrs Linda Bassett, an elderly widow of Teignmouth, Devon, was found collapsed on the floor by a meals-on-wheels visitor. The police said that she had died of hypothermia.

A neighbour said Mrs Bassett had plenty of heating equipment but was frightened to use it because of fuel costs. She said Mrs Bassett had been living with her daughter in London but wanted to live in her own house. She was on a month's trial "to see if she could manage on her own". The police said that she had fallen out of bed, where she was apparently trying to keep warm.

Tactical advice on avoiding disconnexions was sent out in "action kits" to more than 100 local action groups yesterday by the British Association of Settlements, which has been running a national "right to fuel" campaign since last June.

Some help with heating is promised for nine pensioner couples living in all-electric bungalows in Milton Keynes, Buckinghamshire. Their complaints about high fuel bills have persuaded the Development Corporation to change their heating systems to gas. [...] will cost £15,000 to convert [...] total of 45 bungalows.

Two in hospital: Two elderl[y] people were in St Mary's Ho[s]pital, Chichester, yesterda[y] suffering from hypotherm[ia] (the Press Association reports). Mrs Gladys Insholdby, a widow aged 84, was found on the floor in her home at Ningwood on the Isle of Wight. Yesterday her condition was described as "poor". Miss Eileen Be[...], aged 69, of Bembridge, was sa[id] to be in a satisfactory co[n]dition.

A coroner yesterday order[ed] an investigation into the dea[th] of Mr John Parkes, who w[as] found unconscious at his lod[g]ings in Southend, Essex. [He] died in hospital last weeken[d] and a doctor's report said th[e] death was due to the cold.

Mine officials accused of infringing safety laws

Three officials who were employed at Houghton Main colliery, South Yorkshire, where five men died in an accident on June 12 last year, are due to appear in court next month on charges alleging infringements of safety legislation.

They are being prosecuted by the Health and Safety Executive. Summonses were granted at Barnsley Magistrates' Court yesterday.

Mr Harry Widdowson, former colliery general manager, has been accused on two counts under the Mines and Quarries Act, 1954. Mr Brian Bradley, former under-manager, faces two summonses under the Health and Safety at Work Act and one under the Mines and Quarries Act.

Mr Colin Wright, a deputy, faces four summonses. Two of them are under the Coal and Other Mines (Managers and Other Officials) Regulations, 1956, and two under the Health and Safety at Work Act.

Busy trade in large bulls at Aberdeen Angus sale

With commercial breeders showing decisively that small bulls were not wanted and some smaller hill farmers obviously having reduced their cow numbers owing to winter-keep costs and the progress of brucellosis eradication, the trade was all for large bulls at the Aberdeen Angus sale at Perth yesterday. There were 116 four-figure prices, compared with 68 at last year's sale.

The 337 bulls grosse[d] £288,487.50 to average £856.0[...] Last year's gross for 311 bu[lls] was £266,133, an average [of] £855.20.

Last year the top price wa[s] 9,000 gns but this year, despit[e] the sound general level, it wa[s] 6,000 gns, paid by the judge Mr William Arnott, Haymount, Kelso, for the supreme champion, Mr Keith Bromley's Ashley Jebert Eric.

America has its eyes on UK atom scientists

By Pearce Wright
Science Editor

Forty scientists assembled less than two years ago at the Culham Laboratory of the Atomic Energy Authority, Oxfordshire, for a project on thermo-nuclear fusion research are among the handful of experts on the subject in Europe who are the target for an American recruitment campaign. They are needed by the United States to cope with an enormous expansion in fusion research started in the middle of last year by the Energy Research and Development Agency.

There are 20 British members in the team at Culham, which was formed as an EEC project to design the Joint European Torus, known by its acronym Jet, a nuclear reactor producing energy by the fusion of light atoms such as hydrogen instead of by splitting heavy elements like uranium.

The fate of the Culham team is in the balance because the European Commission has recommended moving the joint project to laboratories at Ispra, in northern Italy.

The report by the commission to the Council of Ministers, the text of which was released yesterday in Brussels, does not dispute the superior scientific claims of Culham, or the other sites in contention, Garching and Juelich in West Germany. It admits that both Culham and Garching have the largest bodies of scientists specializing in plasma physics and other research related to nuclear fusion, and that by contrast Ispra has only a modest competence in fusion matters.

The commission, however, does not accept that as a decisive argument against Ispra. In the construction phase of the project, the commission believes, Ispra has a decisive advantage over Culham because of the availability of staff and equipment specializing in heavy engineering, and would also be the most economical.

One reason for the move by the commission is the British Government's reluctance to continue to contribute to another joint project, the Dragon scheme at Winfrith Heath, Dorset.

The recruitment of European research workers in that field by the Americans began in earnest last September at a European conference on controlled fusion and plasma physics. Advisers say they are ready to offer contracts to more than 40 of the Jet team.

Officials of the United Kingdom Atomic Energy Authority are anxious lest the team should break up and disrupt for the second time what is regarded as the most experienced fusion research laboratory in Europe.

One safeguard might help to prevent the wholesale poaching of British members. Apparently there is an agreement between Britain and America over certain matters, mainly classified ones, by which the supply of staff and information flows between the two countries. Fusion work is still covered by that understanding, made 20 years ago.

After lagging behind Europe in fusion, a large programme was started early last year by the recently formed Energy Research and Development Agency because of the promising results emerging from Europe and from its own laboratories.

Leading article, page 15

GLC denies overpaying for conveyancing

By a Staff Reporter

The Greater London Council yesterday denied an allegation by a cut-price conveyancing firm that it had paid £154.22, nearly twice the conveyancing fee of £89.10 that the firm had demanded.

Instead of paying nearly twice the fee, the council said yesterday, it intended to pay only half of the £89.10 demanded by the Homes Organization for the sale of an £11,000 house at Plumstead, London.

The GLC said the £154.22 was payment for survey charges and not conveyancing charges. It has to dispute the demand for conveyancing because the property was compulsorily purchased and in such cases the conveyancing fee was normally halved.

But Mr John Watson, head of Homes Organization, said the only bill it had sent to the GLC was the one for conveyancing.

Indecency by colonel

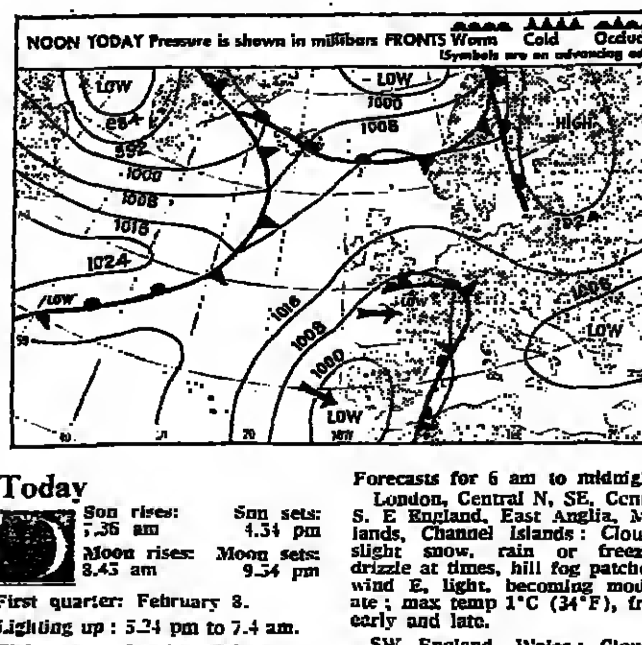
Lieutenant-Colonel Antony Harston, aged 51, a former senior army medical officer, of Hillside Court, Andover, pleaded guilty at Winchester Crown Court yesterday to three charges of gross indecency involving a boy aged 15 and men of 18 and 20. He was given an 18-month suspended jail sentence.

Abscondersearch

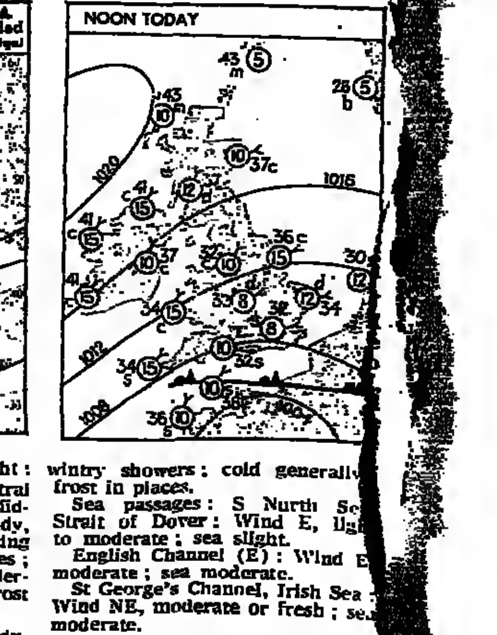
A search continued yesterday for William Rodgers, aged 39, a double killer, of North Shields, who absconded from Leyhill open prison, Gloucestershire, on Monday night.

Weather forecast and recordings

NOON TODAY Pressure is shown in millibars FRONTS Warm Cold Occluded (Symbols are on advancing edge)



NOON TODAY



Today

Sun rises: 7.36 am. Sun sets: 4.34 pm
Moon rises: 8.43 am. Moon sets: 9.54 pm

First quarter: February 8.

Lighting up: 5.24 pm to 7.4 am.

High water: London Bridge, 4.4 am, 7.2m (23.6ft); 4.29 pm, 7.2m (23.5ft). Avonmouth, 9.37 am, 13.0m (42.8ft); 9.49 pm, 12.7m (41.7ft). Dover, 1.7 am, 6.8m (22.4ft); 1.26 pm, 6.5m (21.3ft). Hull, 8.34 am, 6.9m (22.5ft); 8.30 pm, 7.1m (23.4ft). Liverpool, 1.26 am, 8.7m (28.6ft); 1.37 pm, 9.0m (29.6ft).

A belt of high pressure will move slowly S over Scotland but an E airstream will continue over most of Britain.

Forecasts for 6 am to midnight:

London, Central N, SE, Central S, E England, East Anglia, Midlands, Channel Islands: Cloudy, slight snow, rain or freezing drizzle at times, hill fog patches; wind E, light, becoming moderate; max temp 1°C (34°F), frost early and late.

SW England, Wales: Cloudy, slight snow or drizzle at times, hill fog patches; wind E, moderate; max temp 2°C (36°F), frost in places early and late.

NW England, Lake District, Isle of Man: Mostly cloudy, slight snow or drizzle in places at first; wind NE, moderate, becoming light; max temp 3°C (37°F), frost early and late.

Outlook for tomorrow and Friday: Mostly cloudy in S, snow or rain in places, bright intervals in N Ireland and N Britain, with wintry showers: cold generally, frost in places.

Sea passages: S North Sea, Strait of Dover: Wind E, light to moderate; sea slight.

English Channel (E): Wind E, moderate; sea moderate.

St George's Channel, Irish Sea: Wind NE, moderate or fresh; sea moderate.

Yesterday

London: Temp: max, 6 am to 6 pm, 1°C (34°F); min, 6 pm to 6 am, 0°C (32°F). Humidity, 6 pm, 82 per cent. Rain, 24hr to 6 pm, 0.01in. Sun, 24hr to 6 pm, nil. Bar, mean sea level, 6 pm, 1005.4 millibars, rising. 1,000 millibars=29.53in.

WEATHER REPORTS YESTERDAY MIDDAY: c, cloud; d, drizzle; f, fair; r, rain; s, sun; sn, snow.

		C	F			C	F			C	F			C	F
Akrotiri	r	14	57	Chicago	c	-8	18	L Palmas	c	18	64	Naples	f	14	57
Amsterdam	c	-1	30	Cologne	c	0	32	Lisbon	c	13	55	New York	f	-3	[illegible]
Athens	f	14	57	Copenhgn	f	0	32	Locarno	r	4	39	Nice	c	11	52
Barcelona	f	12	54	Edinburgh	d	3	37	London	d	0	32	Oslo	s	-7	19
Belfast	c	3	37	Florence	s	16	61	Luxembrg	c	-3	27	Paris	c	0	32
Berlin	s	-4	25	Funchal	c	16	61	Madrid	r	8	46	Rome	s	13	55
Bermuda	c	21	70	Geneva	c	0	32	Majorca	f	14	57	Ronldswy	c	4	39
Biarritz	f	14	57	Gibraltar	c	14	57	Malaga	f	14	57	Stockholm	sn	-5	23
Birmingham	d	0	32	Guernsey	c	0	32	Malta	[illegible]	15	59	Tel Aviv	c	19	66
Bristol	d	-1	30	Helsinki	sn	-12	10	Manchstr	c	2	36	Venice	s	6	43
Brussels	sn	-1	30	Innsbruck	s	[illegible]	[illegible]	Miami	f	22	72	Vienna	c	1	34
Budapest	c	7	45	Istanbul	r	8	46	Moscow	s	-16	3	Warsaw	s	-6	21
Cardiff	sn	-1	30	Jersey	c	0	32	Munich	c	-3	27	Zurich	c	-1	30

Overseas selling prices
Austria, Sch 15; Belgium, Bfr [illegible]; Canaries, Pes 40; Denmark, Dkr [illegible]; Finland, Fmk 3.50; France, Frs [illegible]; Germany, Dmk 2.00; Greece, Dr [illegible]; Holland, Dfl 1.75; Italy, Lire 450; Luxembourg, Lfr 30; Madeira, Esc [illegible]; Malta, [illegible]; Norway, Kr 4.00; Portugal, Esc 20; Spain, Pes 35; Sweden, Skr 3.55; Switzerland, Sfr 2.50; USA [illegible]; Canada, $1.00; Yugoslavia, Din 20.

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THE TIMES
BUSINESS NEWS

Can Icelanders break the cod war impasse? p 25

hitehall ponders placing Price mmission with s rigid agency

e Corina
Editor

ment of the Price n, with its rigid statu by a new state agency considering pay as ices in a flexible way, ooted in Whitehall.

a is to fashion a new on capable of moni ces in a less legalis hilo maintaining pres estraint, and handling questions which the nt, the Trades Union and the Advisory n and Arbitration el might be imparti dered.

vernment advisers, in for the growing de that will replace the wage rise limit and Code, have been dust previous Labour gov lans (a Bill was pub 1970) for creating a n on Industry and That commission ve merged the old Incomes Board with olies Commission and manpower planning led by the Manpower n).

e scheme is no longer givon the subsequent g of fair trading law creation of both the Commission and tho Fair Trading, it is felt important ideas are diod in the plan, de stimulato change in and vet both board shopfloor practices.

er omerges, the Gov has to decide soon se it wants prices and policy to take. A draft Council is believed to to extend the life of Commission, due to March under present Its members' appoint ments run out after three years' service.

The previous Government set up tha Price Commission under the Counter-Inflation Act, 1973, giving it a statutory life until this March. However, under the Remuneration and Charges Act of last year (which paralleled the introduction of a £6 a week pay ceiling) the Government has power to extend the commission's life and its Price Code until July 31.

It is also possiblo to extend tho powers by Order for a further year (but to bring in such an Order will raise protests both from the Confederation of British Industry and the TUC in the absence of any agreement on what should replace tho flet rate pay limit in the fight against inflation).

The CBI has already called for an end to the Price Code in its present form and trade unions are showing hostility to a further imposition of flat rate cash limits on pay.

Tho Government's difficulty is that, while it believes it has begun to slow down the rate of inflation, more time is needed to judge whether it can risk a more flexible control over profits, prices and pay rates.

A need to come before Parliament with an Order extending the life of the Price Commission may require oarly decisions nn counter-inflation policy after July so that ministers under questioning can indicate some of their ideas for the future.

These ideas must cover the question of whether the Government wants to retain a state agency dealing with prices with some pay functions tacked on, or whether it plans some alternative body capablo of attracting both management and union support while contributing to the struggle against inflation.

Top men on Maritime Fruit board replaced

By Terry Byland

Significant changes in boardroom control were announced in New York yesterday by Maritime Fruit Carriers, the Israeli-American shipping group, which could have implications for employment prospects at Swan Hunter, the Tyneside shipbuilder.

Cash flow problems at MFC have raised doubts regarding optional contracts for Swan Hunter to build 13 ships for Swan Maritime, a company jointly operated with MFC.

Captain Mila Brener and Mr Jaacov Meridor, two senior executives of MFC who recently visited London when the group was struggling with cash flow problems said to be as high as $80m (£40m), have resigned executive positions, although both remain on the MFC board.

Voting control and management responsibility has been assumed by Mr H. Struve Hensel, elected managing director and chief executive, and Mr Ira Guilden, elected chairman of the board. Mr Hensel said yesterday that he had just returned from London "where we met our leading bankers" and that he and Mr Guilden, who is a director of the National Bank of North America, are "working on an agreement for meeting MFC's short-term cash needs".

He added that the group's headquarters were to be moved to London. MFC's long-term prospects appeared "excellent", he said.

Sir John Hunter, chairman of Swan Hunter, said yesterday he had "no arrangements" to meet the new men at MFC and there was still "no comment" on the outstanding contracts with Swan Maritime.

Austrian bank counters 'pay up' call

By Anthony Rowley

Creditanstalt-Bankverein, Austria's biggest bank, last night expressed concern over comments made by Mr Herbert Hitchcock, heod of the international division of National Westminster Bank, concerning the letters of credit controversy the Austrian bank is involved in.

Creditanstalt also restated its position over the disputed $20.7m (£10.2m) letters of credit and claimed that the bank had to act with regard to other interests involved in refusing to pay the amount involved.

The dispote arose over a sale of a consignment of drugs by A. M. Aronson, a Dutch company, to Interimpex, a Yugoslav state-owned coocern. Letters of credit issued in connexion with this deal were subsequently sold to a consortium led by Singer & Friedlander, the City merchant bank.

When the goods were found to be worthless, it was claimed that Aronson had forfeited its right to any entitlement and Creditanstalt argued that the banking consortium's entitlement under the letters of credit was only the same as Aronson's. An Austrian court injunction, which a subsidiary of Creditanstalt was partly instrumeotal in obtaining, led to o block on payment to the banking consortium.

On Friday, Mr Hitchcock, speaking on behalf of NatWest, which, he said, had "no direct involvement" in the consortium, urged Creditanstalt to pay in full the amounts owing under the disputed letters of credit.

Last night in a statement from Vienna, Creditanstalt pointed out that "one of the members nf the Singer & Friedlander consortium lending $21m to Aronson is Roywest Banking Corporatioo, which is in the loan for $2m.

"Twenty-five per cent of the share capital of Roywest is owned by NatWest. Tho chairman of Roywest is Mr A. D. Chesterfield (formerly with Westminster Bank) who is also chairman of Singer & Friedlander. The deputy chairman of Roywest is Mr Hitchcock."

Creditanstalt's statemeot added: "Mr Hitchcock's remarks divert attention from the fact that Creditanstalt's letters of credit issued in favour of Aronson were non-transferable and, therefore, Singer & Friedlander could only become the holders of Aronsoo's rights to the proceeds under the letters of credit."

Mr Hitchcock last night confirmed Creditanstalt's statement, but added that he spoke from a genuino position of "no direct involvement" in the affair and in the interests of preserving confidence in internatiooal trade.

"The financing of foreign trade would break down completely if banks had to concern themselves with the underlying contract between two principals involved", be said. "Banks should concern themselves only with the mandate between themselves."

On the court injunction restraining payment under tho letters of credit, which is causing a good deal of ill-feeling in London, a spokesman for Creditanstalt ompbasized that AWT, the subsidiary involved, was only 60 per cent directly owned by Creditanstalt. The rest was owned by Oberbank, in which the state of Upper Austria and Bayerische Vereinsbank had interests.

Through interests in Oberbank, Creditanstalt controlled 74 per cent of AWT but "we had to look after certain outside interests too", the spokesman said.

Mystery of the public sector loan figures

By Tim Congdon

A large discrepancy between the two main measures of the Budget deficit is causing considerable puzzlement among financial analysts. No official explenation for the discrepancy, which amounts to several hundred million pounds, has been provided.

The mystery concerns tha public sector borrowing requiremeot and the sector's financial deficit. These two concepts are differeot ways of looking at the the gap between the sector's receipts and outgoiogs.

The public sector borrowing requirement (PSBR) is the total amount the sector hes to borrow. The public sector financial deficit (PSFD) is tha total increase in the sector's indebtedness. The financial deficit is smaller than the borrowing requirement becauso public sector bodies oulond some of the money they borrnw to companies and individuals.

It is the bebaviour of this public sector lending to the private sector which is so surprising. The Budget estimate was that this would come to £1,484m in the wholo of the present fioancial year.

In the first half of tho financial year tho PSBR, seasonally adjusted to take account of variatioos in the flow of taxation and expenditure, was £5,455m. The PSPD, similarly defined, £3,811m.

It follows from this that lending by tho public sector to the private sector was £1,644m. If the same trend were to continuo in tbo second helf of tho financial years, it would reach £3,288m, £1.804m aheed nf the Budget estimate.

Noither the Troasury, which is responsible for the control of public expenditure, nor the Central Statistical Office, which carries out the seasonal adjustment process and publishes the figures, could provide any explanation for the remarkably high level of public sector lending to tho private sector so for.

Financial onolysts feel that the most plousible reason is huge industrial aid to e number of companies. However, they are unable to pinpoint schomes of sufficient size to account for the discrepancy.

It is possiblo that government statisticians have chosen misleading procedures for seasonally adjusting tho PSBR and PSFD. As more complete dato becomo available revisions may be made and tho causo of tbo discrepancy moy ho discovored.

Tho unexplaioed divergenco is also important because of the light it throws on the Government's success in reachiog its fioancial targets. Until recently it had been generally agreed thet the Governmont's finances have beeo deteriorating and that the PSBR will approacb £12,000m, well ahoad of the Budget estimate of £9,055m.

The PSBR figures for the first half of the financial year lent partial confirmation to this.

But if the PSFD follows the samo pattern in the second balf as it did in tho first, it will come to £7,611m for the year. Tho Budget estimato was £7,571m. In other words, tho PSFD oppears to be almost exactly on target.

7-point plan to benefit consumers

By Malcolm Brown

A campaign to improve the quality of British goods will he urged at the National Economic Development Council on Wednesday. Mr Michael Yonng, chairman of the National Consumer Council, is to put forward a seven-point plan aimed at making British goods better value for money.

He sees it as the consumer's chance to get some positive benefit from the new industrial strategy now under discussion at the NEDC.

The plan calls for better servicing, better consumer advico for all, and pressuro from trade unions to persuado companies to givo their customers a better deal and their workers safer jobs.

Mr Young also wants to seo better efforts at markoting abroad and a similar improvement at home, with companies taking consumer complaints and suggestions more seriously. Another aroa of effort should be tho moro efficient use of buying strength by public anthorities.

The Consumer Council chairman believes, finally, that there should be much more active use of consumer protection laws.

In a paper circulated to other NEDC members, Mr Young says some local outhority consumer protection departments aro already using their wide ranging powers not just to track down law-breakers, but to make suggestions to industry about quality.

He cites the examplo of trading standards nfficers in a British city who found thet ooe loaf in evory fivo sold was underwoight. Ono bakery was checking the weight of every tenth loaf, but the loaf was put back for sale whether or not it was underweight.

Mr Varley, Secretary of State for Industry, is expected to announce at the NEDC meeting oo Wednesday the setting np of new technology advisory teams at the Department of Industry.

Wednesday's mooting will also consider e paper from Mr Shore, Secretary of State for Trado, outlining the case for a systematic redoction in overseas buying by British industry. The paper was held back from the December NEDO meeting.

Mr Shore envisages a "buy British" campaign throughoot industry, led by the Neddy organization and supported by state industries and official bodies. It calls for a review of all purchasing from abroad whero substitution would bring benofits to the balance of payments, employment and commercial costs.

N Sea rig delayed by changes

From Peter Hill
Helsinki, Feb 1

Further dolay now looks inevitable in the delivery of e Nortb Sea drilling rig being built in Finland for British owners, and recently chartered to British Petrnleum.

The H3 semi-submersible rig, Celtic 1, costing obout £16m, is scheduled for delivery at the end of May and is already e year hohind schodule. More chenges have been ordered and it seems unlikely that the rig, being built hy Rauma-Ropola oo tho Finnish west coast, will meet the delivery date.

It was only last month that tho rig's owners, Celtic Drilling—in which the British shipping company Reardon Smith has a 53 por cent interest—disclosod that the Celtic 1 hod been chartered to BP.

This was an important development for the United Kingdom operator, particularly et a time when tho market for semi-submersible rigs is very depressed.

The Finnish yard has e dozen contracts for similar rigs and has already mede e number of chonges to improve general specifications.

Officials hero are surprised that tho owners are seekiog further alterations. Executives of Raumo-Repolo aro attempting to assess the extent of the changes, which have to ho authorized hoth by the Department of Industry, end hy the Norwegian classification Society, Norske Veritas, before they can be implemented.

Rauma-Repola foees heavy losses on many rig contracts, and is hoping for contracts from tho Soviet Union.

Rauma has submitted tenders for two rigs, basod on an American design, for use in the Caspian Sea. These could form part of tho five-year trado poct between Finland and Russia and decisions are expected hy the spring.

tailers likely to sign bs pact tomorrow

Emler

progress has heen the Governmeot in s with retail on the plan for price restraint. It ns cortain that the nsortium will initial nent with Mrs Wil cretary of State for and Consumer Pro morrow.

eme, which is effeo manufacturers from ks to limit price wide range of goods used in the homo to during the next six For retailers the curbs aro planned to o operation on 6.

there aro still out fficulties with somo iations, thero is now easure of agreement ms to be included. ms last week esti the package woold een 15 and 20 per nsumer expenditure. ncertain, however, ho strong pressure ers will bring about ion of some state ices on tho restraint

liams has promised that the schome will include some nationalized industry prices, but so far gas and possibly postal charges are the only likely candidates.

Those industries affected by excise duty considerations are experiencing difficulty in recommonding acceptance of the scheme to members. Fearful of extra Bndget impositions, they have requested that in return for compliance with the curbs, the Government should promise to keep any duty increases to below the 5 per cent target during the six-month duration of the package.

The Government, unable to preempt Mr Healey, cannot give such an undertaking. Consequently the whisky prodncers have said they will not join the scheme and wine retailers and shippers (who are also keeping a closo watch on exchange rates) have yet to make a decision. The Brewers Society has, however, suggested acceptance to its members.

Introduction of the scheme to the High Street will be preceded by an advertising campaign, which will hegin in about 10 days. The retailers are still uneasy about possible shortages caused by the public favouring the 40 or so items which it is hoped will he on Mrs Williams's list. Nevertheless, they have approved tha text of the television and press advertisements.

Real pay too high, says economist

By Our Economics Staff

Real wages are too high. The Government must try to restrain them in the next two or three years and choose an incomes policy basod on a flat percentage norm when the £6 limit expires.

This view is put forward by Mr John Flemming, of Nuffield College, Oxford, in a contribution to *Catch 76 . . . ?*, o pamphlet published today by tho Institute of Economic Affairs. The pamphlet contains several contributions from leading economists on the course the British economy should follow this year.

Mr Flemming argnes that the economy still has not adjusted fully to the sharp riso in import prices between the middle of 1972 and the middlo of 1974. The drop in real incomes sucb a rise nocessarily implied has yet to he reflected in a drop in real wages or real consumption, whether public or private.

At tho end of 1974 real wages wero 9 per cent too high, Mr Flemming estimates. Sinco then the improvement in tho terms of trade and the stabilization of real wages has hrought the excess down to about 6 per cent.

Mr Brian Griffiths, of the London School of Economics, calls for the Bank of England to announce and adhere to a money supply target growth rate nf 8 per cent in 1976. He suggests that this would "reduce one of the major uncertainties among investors and corporate planners" and "would almost certainly lead to lower interest rates by reducing inflatiooary expectations".

Lending rate 10 pc

The Bank of England's minimum lending rate is reduced by ¼ percentage point this week, to 10 per cent. Tha following are the results of Friday's Treasury Bill Tender:

Applications	£1.3m	Allotted	£400m
Bids at £97.68%		Received	66%
Prev week	£97.58%	Received	46%
Average rate	£9.2987%	Prev week	£9.8351%
Next Friday	£350m	Replace	£450m

Sharper rise predicted in US cost of living

From Frank Vogl
Washington, Feb 1

Inflation in the United States is likely to accelerate in the second half of this year as major trade union settlements produce wage rises averaging 11 per cent and companies attempt to widen profit margins because of expanding husiness activity, according to Chaso Econometrics Associates.

The forecasting company says consumer prices are likely to rise hy 7.5 per cent and wholesale prices may increase 8.5 per cent in the second half of 1976 with the possibility nf much higher rates developing in 1977.

Chase believes it is unlikely that the Congress will accept fully President Ford's hudget deficit ceiling of $43,000m and may instead take actions leading to a $58,000m deficit in the fiscal year starting October 1.

At the same time Chase suggests that the Federal Reserve may tighten its monetary policies significantly, after o moderately expansionary course as a result of higher inflation predicted for the second half of the year.

The combination of e tightening of monetary policy in 1977 and more expansionary fiscal policies than President Pord advocates, may resulr in 1977 in such sharp increases in inflation and interest rates that the economy will be pushed into a serious recession in 1978.

Chase projects the consumer price index everaging a rate of growth of 8.5 per cent for the latter part of 1977, with the wholesale price index rising in this period by a rate of 14 per cent and prime lending rates soaring to 12 per cent.

PAO group post for Sir Eric Drake

Sir Eric Drake (above), the former chairman of British Petroleum, confirmod vesterday that he is ebout to hecome a part-time edviser with World Wide (Shipping), the Hongkong-based group run by Mr Y. K. Pao.

Sir Eric, who is 65, retired from the BP post last November. His new job will give him a seat on one of tho subsidiary boards of World Wide, the largest independent operator of tankers in the world.

French inflation slowing

From Charles Hargrove
Paris, Feb 1

France's retail price index for December shows an increase of only 0.6 per cent over the previous month's, bringing the total increase over tho past year to 9.5 per cent.

This is a success for M Jean-Pierre Fourcade who said in Warsaw, where he is oo an official visit, in a statement relayed from tho finance ministry, that it confirmed the trend towards the slowing down of inflation.

"Inflation has dropped by half in 18 months. The rise in retail prices which stood et 4.2 per cent in the first quarter of 1974, has been cut hack to 2 per cent in the last quarter of 1975", he said.

But M Fourcade knows that the pressure on prices is likely to resume in coming months.

The government's objective is to hring the roto of inflation down to 7.5 per cent this year.

Chrysler pessimistic over today's vote

Continued from page 1

out of a heavy loss-making operation.

The trouble at Linwood is caused by Chrysler's decision to close a components packing factory at near by Johnstone. About 50 men from this factory were offered alternative jobs in a new packing department within the Linwood complex.

Their existing basic pay rata of £58 a week is £1 a week helow the basic rate at Linwood, which is earnod by 17 nther men who now work in tho same department.

Shop stewards called the strike last week, and got a majority vote from a meeting, after the company had said that it could not pay the higher basic rate to all workers.

It argued thot to do so would be a breach of the Government's pay code, because all the workers concerned bave already had the permitted £6 a week

Although the dispute is, on the face of it, merely pver £1 e week pay differential, much more fundamental issues are involved.

The sbop stewards claim that the company bas failed to observe agreed negotiating proeedures, and they fear that with many more important changes duo under the reorganization plans—including the transfer of Avenger car production from Coventry to Linwood—to back down would open the door for more unilateral moves by the management.

Snake realignment 'a possibility'

By Melvyn Westlake

A realignment of currency parities within the European joint float, popularly known as the "snake" is a "distinct possibility" and would lead to a flow of "refuge" capital into Switzerland, according to a forecast by an independent research unit publishod this morning, but propared last week.

At the same time the Italian lire is likely to shnw a devaluation of between 8 and 10 per cent when the country's exchange markets formally reopen, it predicts.

These forecasts come just as speculation about a realignment of "snake" parities has begun to intensify on the currency markets. On Friday there were strenuous denials in Brussels that any adjustment to exchange rates was under consideration.

The predictions are made in tha latest assessment of economic prospects for Italy and Switzerland published by Forex Research, whose forecasting techniques are similar to those of the Paris-based Organization for Economic Cooperation and Development.

Having correctly foreseen tho devaluation in the lira, Forex suggests that the outcome of the present Italian crisis will be resolved in the short term by an official devaluation of between 8 to 10 per cent (roughly the extent to which the currency had depreciated by Friday evening) and a further loan from the International Monetary Fund, conditional upon restrictive fiscal and monetary policy measures.

However, Italy's outlook for 1976 "remains gloomy", the report says. Inflation is forecast to rise to about 15 per cent, and gross national product is unlikely to grow by more than 1.6 per cent.

Moreover, the country's trade balance will worsen appreciably in the first half of 1976 because of the short-term "J-curve" effect of the lira devaluation.

The lira would fall still further if there was an election and an advance in the strength of the Communist Party or a fall in Italy's creditworthiness, because of its inability to make this year's capital and interest repayments, totalling about $3,000m (nearly £1,500m).

Unofficial estimetes of Italian unemployment already put the nnmber at 1.5 million. The proposals put forward in December for providing finance for industry and aid to the Mezzogiorno (the less developed region of southern Italy) will definitely be postponed and probably reduced.

It notes that profits have been squeezed and industry is faced with meeting increased pay levels and social contributions caused by wage indexation.

The report says that the Swiss franc will continue to reflect the uncertainty surrounding leading European currencies. The French franc in particular is earmarked as a potentially weak currency.

Recession in the Swiss economy is forecast to continue during the first half of this year, but an upturn is seen in the last six months.

On other pages

Management

Edited by Rodney Cowton

Entrepreneur learns to profit from team

It is probably the oldest cliche about the smaller business that it grows because of one person's entrepreneurial drive and style and then loses its way when, as a certain critical size is reached, the man at the top fails to adapt to the need for a new style of management.

One man who has outfaced the problem by adopting a style of management more usually found in much larger companies, is Mr Göran Horwitz. This 41-year-old Swede freely admits to the sort of entrepreneurial temperament that usually opts to run a comparatively small business like a benevolent despot.

There is a part of him that would still dearly like to make all the decisions and just hand out orders. He did just that at first when, not 30, his father made over to him a textile goods business in Stockholm turning over less than £250,000 a year.

The company was licensed in Sweden to sell Jockey underwear—the label of the United States-based, family-owned Jockey company—and took its supplies from Britain's Lyle & Scott, now part of Courtaulds.

Today Horwitz's turnover is more than £5m a year. His association with Jockey has been so fruitful that he holds the sales licence for all Scandinavia and is just going into France, that tricky market which has broken many a foreign retailing man's heart, including some from the United Kingdom.

What happened along the way is something of a cautionary tale.

Horwitz says: "The toughest thing I have ever done is to transform this company from what was really a one-man business—in terms of who had the responsibility and authority—by changing myself and training the people we now have."

He was persuaded into it—not without argument—by Pehr Gyllenhammar, managing director of Volvo the Swedish motor manufacturer. Gyllenhammar is on Horwitz's board.

Reluctantly Horwitz allowed a management team—now numbering seven—gradually to take over more of what he had regarded as parts of his own job. "The worst part," he recalls, "was the feeling of not being needed. To sit quietly at the sales conference and see somebody else run the show—what used to be my one-man show."

It took him three years to get over that feeling. He added: "Gradually I learned that this is what it is all about—making yourself superfluous in your present field. It is the only way to proceed and develop."

The process of devolving responsibility and authority brought its sticky moments. When Horwitz ran the show himself, profits were around 10 per cent of turnover. At the end of the first year of the new management style, the figure was down to between 2 and 3 per cent, although this was partly because of the economic situation at the time.

Now, with the new system in full swing among a total staff of 48 people, the profits percentage is again nudging 10 per cent. Almost certainly it has been the new management method which released Horwitz to make a realistic assessment of the difficult French market.

French consumers are especially fashion conscious, but Horwitz is particularly geared for this, especially in sportswear which this year will account for about 50 per cent of the company's total sales.

It was because of the nature of the trade, involving a multiplicity of designs and fabrics as well as matching up supplies and outlets, that Horwitz decided in 1970 to get rid of paperwork and put everything on a minicomputer.

He finished on after four years with a management information system which can tell him at a glance how trends, performance and profitability are going in all sections of the business. It allows him to manage by asking the right question at the right time.

It avoids the situation where typically the middle manager, sole collator of information about one section of the business, is always tempted to put up to his senior only the good things he believes the chief would like to hear.

Horwitz is well aware of some of the dangers of creating a team of responsible managers. It makes them particularly attractive to other companies.

This is one reason why salaries in his company are comparatively high. There is profit-sharing on a sliding scale according to each person's contribution to the company's performance. Thus the management team gets the largest share.

Horwitz has completed his transformation philosophy by ensuring that there are three to four people in the management team who could take over his role. His four children—three are boys—might get a minority interest in the company but he added: "They could progress only on their personal merits—they would not sit in this chair just because their name is Horwitz."

Derek Harris

Paving a five-year way to participation

A five-year period should be allowed for experimentation before any particular form of industrial participation is made mandatory by legislation.

This is one conclusion of a pamphlet* published by the Industrial Society. In an introduction John Garnett, director of the society, warns against the risk of being pushed into applying an unproven idea from the Continent, and the author of the pamphlet, Elizabeth B. Sharp, comments that the evidence as to what will work successfully in Britain in the way of industrial democracy "is thin almost to the point of non-existence".

To facilitate experimentation, the pamphlet recommends that the Companies Acts should be amended to reflect the reality that directors have a responsibility to employees as well as to shareholders.

All companies with over 2,000 employees should be required to carry out approved experiments enabling the views of employees to be expressed at board level. Where there is dispute as to whether a scheme is approved, it should be referred to the Advisory, Conciliation and Arbitration Service or another third party.

The pamphlet observes that whatever form of industrial democracy is finally adopted at board level will make little impact on the majority of employees. "Their job satisfaction and commitment and willingness to implement decisions arise predominantly from what happens at the grass roots."

Organizations must get their arrangements right for consultation, briefing and negotiation clarified and working as smoothly as possible before moving to the stage of industrial democracy in the boardroom.

"The attitudes necessary in both management and men for management by consent and joint problem-solving do not appear overnight but gradually develop." So each organization must take stock of its present situation, start discussions and embark upon the necessary training and action.

*Democracy in Industry (£1.50).

RC

A vehicle package for the third world

It may be all very well, particularly if you happen to be a university lecturer, to have a lot of splendid ideas about how an industrial enterprise should be conceived and run. But it can be a very different matter when it comes to translating theories into practice, in the harsher world outside the campus, and in fact "putting your money where your mouth is".

Graham Edwards, who was for 11 years on the staff of the University of Manchester Institute of Science and Technology, has—in partnership with a former student, Stuart Taylor—embarked on the challenging task of doing just that. And they have chosen to do so in a highly competitive area of the vehicle industry.

They have launched their enterprise, Trantor International, in a small factory on a new industrial estate at Heaton Mersey on the outskirts of Stockport, Cheshire. And from this base are engaged on a worldwide marketing operation, aimed especially at the developing countries.

The object is to sell not simply a new multipurpose vehicle, which, in concept is really a cross between a tractor and a Land Rover, but a complete package which includes factory and plant design, training facilities for workers, and new management and production techniques based on what are conveniently, but perhaps obscurely, labelled the "autonomous work group" principle.

The vehicle itself, called the Trantor, has been designed—and indeed the first one was hand built, in a small garage—by Stuart Taylor. His aim was to apply high technology to the manufacture of a basically simple model which, at the same time, incorporated all the necessary features to meet the demands of its potential markets.

The Trantor was also designed specifically to fit the Edwards/Taylor concept of small volume production within the type of industrial enterprise they had conceived.

Edwards and Taylor had spent some time examining the needs of farmers and local authorities using both tractors and Land-Rovers and found that the most significant and most often repeated requirement was a vehicle which combined sufficient pulling power and braking with speed and handling ability over long distances, in other words all-round versatility.

Stuart Taylor's prototype Trantor was exhaustively tested on farms and in a variety of road conditions. It passed all tests, and now the small factory at Heaton Mersey has gone into limited production turning out vehicles which, for the most part, will be used as demonstration models in a number of overseas countries where potential markets for the complete factory package exist.

Edwards had for some time been working as a consultant and designer, both inside and outside the university, on new kinds of factory systems in engineering.

He says: "I believe that only small group systems of production will, in the end, fit the changing climate in society. It is not enough to try to bend the flow-line system of production, as for instance Volvo has done, and call that a new method. You have to start with a completely different concept in mind and design your factory, plant, machinery and product to fit that concept."

The challenge, therefore, was to design a factory and group production system to go in it which, it was already clear, would in the majority of cases have to be sited overseas, and mostly in developing countries.

Edwards recruited a small research team, partly from among his old university associates and partly from industry, and produced the project which Trantor International is now in the process of selling. It is designed to be run economically anywhere in the world where skilled labour is either already available or can be trained (perhaps in temporary centres during the period of factory building).

A limit has been set on factory size—they would employ an optimum 100 people and cost about £1m to erect and equip—and the emphasis is placed on replacing the usual range of complex machinery found in specialized engineering works with good quality general purpose machines which can be installed at much lower cost.

Edwards and Taylor have covered many miles and entertained a lot of overseas visitors to bring their project to the point at which it seems to be about to take off in a big way. African countries, the Middle East, and the Far East are all showing great interest.

Edwards is insistent that wherever the Trantor factories are put down he and his Stockport-based team, both from the management side and the shop floor (were a proportion of the present workers are not only developing the production techniques but are themselves being developed as future teachers) must be closely involved from the outset and for a minimum period of three years.

He says: "Factories should be sited in development areas wherever possible so as to take advantage of government assistance in various countries. Our project has recently been included in an Organization for Economic Cooperation and Development report on the future of transportation and the alternatives available".

R. W. Shakespeare

LETTERS TO THE EDITOR

Why there was no UK food stand at Milan

From Mr I. S. Harrison

Sir, As "the appropriate marketing board" we would like to explain to Mr Martin Haddrill (January 29), the reasoning behind the decision not to exhibit British foodstuffs at the Milan Fair.

Italy is a priority area for British processed food exports, and in 1974 contributed nearly £5m to the balance of payments. Participation in major trade fairs can only be decided upon by an assessment of the strictly commercial benefits that are likely to accrue from exhibiting.

Although the Milan Fair each April does include a food section, it is a very small proportion of the total exhibition area, and is not renowned as a centre for purposeful food trade buyers. This category of visitors is an essential first link in the distribution chain before products are exposed to the mass-market who make up a large proportion of the Milan Fair attendance, and who are not primarily concerned with food.

The British Food Export Council considers that better results can be achieved by exhibiting in a specialist food fair in Italy, and has selected the Salone Internazionale dell'Alimentazione (SIA) held annually in Bologna as the most promising venue.

The British Overseas Trade Board and British Food Export Council have combined to sponsor British joint venture participation at SIA Bologna in 1974, 1975, and shall again be so doing in May 1976. Additionally, in October 1975, we organized a visit of 16 influential Italian food buyers to the United Kingdom to see samples of British processed foodstuffs which resulted in a good volume of export business.

The British Food Export Council operates on a world wide basis. We are actively trying to further the already significant British food exports to Italy in an overall long-term plan which at present does not include the Milan Fair.

Finally, I regret that some of the items for which Mr Haddrill craves, particularly meat products, are currently restricted in Common Market countries as a result of legislation originating in Brussels.

Yours faithfully,
I. S. HARRISON,
Director General,
British Food Export Council,
World Trade Centre,
Europe House,
East Smithfield,
London E1 9AA.
January 29.

Staffing and procedures in state employment offices

From Mr H. Bramwell

Sir, The letter from your correspondent (January 26) about the unnecessary "signing on" for the retired prompts me to draw attention to a regrettable gap in the procedure for young people, many of whom are now for the first time having to apply for unemployment benefit.

My daughter, aged 21, recently returned from nursing in Canada and being unable to obtain employment in this country, although a qualified nurse, applied to the Reading employment office for unemployment benefit. She had previously worked for two years in England and had therefore been paying National Insurance contributions.

This required "signing on" at one office, being interviewed at another about a mile away and visiting a Job Centre in yet another part of the town. She was then told that she ought to apply in Bracknell some 12 miles away. At Bracknell she was told she ought to have gone to Slough. Wiser now, she telephoned Slough only to be told that Reading was the right place.

Back to Reading she again visited the first two offices there (one of which said she ought to be at Slough !). After eight journeys and interviews over two weeks at 40p a journey from home, she eventually received a cash benefit from Reading with a letter from Slough in the same post telling her she was not entitled to anything ! Apart from being a somewhat demoralizing experience for a young person (there was much waiting around and some rudeness from officers at some offices) there was no one present at any of the four government offices she contacted who could explain to her as a first-time applicant what she might be entitled to, which office to go to or what the procedure was. Instead she was shunted unnecessarily from one officer to another, none of whom seemed to have any knowledge outside their own narrow duties.

It appears to me that civil servants in government offices are not trained and perhaps not even the right people for the social problems created by the present phase of unemployment to which our young people are subject. The type of social worker employed by a local authority would be competent to give this sort of advice and one wonders if appropriate persons could not be designated to the large employment offices to give the sort of practical advice and information which seems to be sadly lacking in the present arrangements. I am sure that if civil servants were answerable, like local government officers, to local councillors for their acts and omissions, the position would soon be changed.

Yours faithfully,
H. BRAMWELL,
County Secretary,
Royal County of Berkshire,
Abbots House,
Abbey Street,
Reading, RG1 3EE.
January 26.

House purchase loans: failing to meet a need

From Mr John Fletcher

Sir, Although Mr Len Williams is correct in stating (January 22) that there is "no case for local authorities to lend [illegible] that part of the market which building societies exist [illegible] serve", there is another section of the market—far larger than he imagines—which building society money simply does not reach and which local authorities can no longer serve adequately.

Ideally building societies would remove the necessity for local authority mortgage schemes by developing lending policies which catered for the whole community. This would allow local authority funds to be concentrated in other areas, such as council housing, health and education.

Despite recent increases in building society lending, too stringent lending criteria still mean that many people who could have purchased a home with a council mortgage are unable to obtain a mortgage from a building society.

This fact is borne out by the great difficulty which many local authorities are currently experiencing in using their quota of the £100m of building society funds earmarked for their use following the suspension of their mortgage schemes last year. Under this arrangement authorities can nominate applicants to a building society for a mortgage. However, the society's usual lending requirements must still be met.

One inner London borough found that of 60 people who would have qualified for a mortgage under its own scheme only five could be nominated to a society. An outer London borough recently reported that out of 104 inquiries whom it would have considered for a council loan, only 27 could meet building society standards. There is no doubt in the minds of many local authority officials involved in this scheme that building societies are failing hopelessly to fill the gap left by the restrictions on council mortgages. As a result thousands who wish to buy their own homes are being prevented from doing so.

Not only do societies feel that it is not their responsibility to fill such a gap, but, according to Mr Williams, it does not even exist.

Yours faithfully,
JOHN FLETCHER,
Casework Coordinator,
SHAC,
189a Old Brompton Road,
London SW5 0AR.

Motor city faces rising tally of unemployed

Industry in the Regions

Chrysler is still tying up the loose ends of its government-enforced redundancy programme, but already it is clear that this month will see about 5,000 of the car maker's workers dumped on to the the labour market in the Coventry area.

This means that the total unemployment in Coventry, Bedworth and Nuneaton will be increased by nearly a third, and closer examination of the latest unemployment figures for those towns shows that the position is even worse.

Of the 17,898 unemployed on January 8—the last available figures—5,493 were women. Most of the 5,000 Chrysler redundancies are men, and their arrival on the depressed job market will increase the number of unemployed males by a daunting 40 per cent.

Even Coventry, with its long-established reputation for recovering quickly from economic recessions, is wilting at the prospect of finding jobs for such an unprecedented rise in its unemployed.

Last year unemployment in Coventry rose from 3.29 per cent in January to 6.17 per cent in December. In the first week of the new year it shot up to 7.3 per cent—significantly higher than unemployment rates for the West Midlands, or Britain as a whole.

By the end of February it could be more than 10 per cent.

Unemployment in the once-booming motor city already ranks it with most of the assisted areas of the North. Within the next few weeks it will almost certainly have the highest jobless rate in Britain.

Ironically, many of those now out of work in Coventry are Scots who came south in the late 1950s and early 1960s, to cash in on the demand for car workers.

Mr W. E. Hayden, Coventry district manager of the Employment Services Agency, is in charge of the temporary job offices established in Chrysler's Ryton and Stoke plants. He reports: "We are finding that Chrysler workers are for the first time showing keen interest in vacancies outside the area—perhaps back to the areas they originally came from."

Last year the growing dole queues caused the city council to set up a special employment committee, which included representatives from the trade unions, the chamber of commerce and Coventry Engineering Employers Association.

In October the committee sent a deputation to the Department of Industry to press for assisted status for Coventry, a move which has been repeated by other West Midland towns.

So far the Government has not acted on their request. Indeed most Coventry people regard the granting of assisted status as a forlorn hope.

Their action is, however, a reflection of the growing resentment that some of the blame for their present plight can be laid squarely at the feet of successive governments.

By rigid enforcement of the location of industry controls, governments over two decades have forced Coventry companies to expand in assisted areas—Chrysler (Rootes) to Linwood, Scotland; Triumph to Speke, Liverpool; Alfred Herbert to Falmouth, Cornwall; Torringtons to Darlington, co Durham, and Brico to Lydney, Gloucestershire.

There are many in Coventry who have steadfastly maintained that Chrysler's troubles arise directly from their costly Scottish venture.

It is not generally appreciated today that Coventry suffered very significant closures in the mid-1960s which led to the loss of 8,000 jobs. These included 5,000 at Armstrong Whitworth's Bagington factory when the Government cancelled the HS681 air freighter, 2,000 at a missile factory and several hundred at two drop forging companies.

Coventry Engineering Employers Association points out that those made redundant were absorbed without too much difficulty, but since then few new employers have been permitted to move into the area.

Mr Alan Barry, the association's director, says that before the present recession, 65 per cent of the insured working population was employed in engineering.

He describes this as "a remarkable and dangerous dependence which ensured that the present recession would be more severely felt in Coventry than in many other areas, particularly since the motor industry is so well represented."

He also makes a point which is one of the most worrying factors in the present jobs crisis. Although Coventry has shown remarkable resilience in recovering from past downturns in the economy, the level of employment has seldom returned to its previous best.

He gives warning that for some time after things begin to improve, Coventry companies will be able to meet increased orders by better utilization of unused capacity rather than by widespread recruitment.

One thing remains constant in this picture of gloom and doom which gives hope to Coventry. It has an unrivalled location at the centre of the country's motorway network and an established labour force with a justified reputation not only for its wide range of engineering skills but for its adaptability.

In the short term there is little the Government can do for Coventry which will not be seen as preferential treatment. But as a veteran Labour activist and trade union official recently warned Coventry MPs, "In the long term any government which fails to ensure that this city and its people are [illegible] to the fullest use will be doing so at its peril."

Clifford We[illegible]

BY THE FINANCIAL EDITOR

Weighing the impact of falling rates

...rtle argument in the ...esent that, after last ...half point drop in ...Lending Rate and the ...ebsence of a new ...ck, gilts are headed ... buoyant week. Much ...dispute is what the ...ngland's interest rate ...w amounts to.

...rprise is being aired ... should have been ... come down as fast ...ve, despite continued ...ternationally and the ... to the authorities ro ... former unduly wide ...ter American rates ...nting n strain on ...

...m, of course, be no ...g the desirability of ...own interest rates as ... encouraging borrow- ...might, in turn, stimu- ...action in a sluggish ...For my part, I remain ...ed that this present ...ll have tha desired ... more than the pre- ...s have done, but I ... falling interest rates ...ally important and do ...psychological atmos- ...h is bound m be more ...to planning new ...s.

...ikers seem to believe ...real upturn will not ...ch before the second ... year, however.

...ch more realistic to ...line still in terms of ...policy. Clearly the ...not want to flood the ...h new stock in such ... to halt the steady ... in rates, and the ...pause between bursts ...elling is prudent. But ...asingly reasonable to ...er interest rates now ...l further to fall, and ...sis one might expect ...o "pace" the decline ...way that it can hoth ...and allow odd periods ...ngestion to ease.

...r one's view, how- ...oot yet the time to be ...nervous about gilts. ...ould be scope for ...rength yet, although ...are many more days ...Friday the time might ...o far distant when it ...right to stop and ...

... the present it still ...t to be in longs, but ..."tap" stock when it ...rhaps on Friday, could ... appropriate point to ...he merits of shorten- ...lios.

Mr Geoffrey Searle, managing director of LSMO and SCOT: a new kind of security, tailored to oilfield development.

...er Code

...sions ...t ready

...version of the Take- ... is almost complete ...luck should he pub- ...t month. The changes ... City working party ...luce look like being ...spread than expected ...e those contained in ...ode revision, they will ...soteric.

...areas where it was ...rules would benefit ...n tightening up or ...o have heen under ...g party's microscope; ...ubtedly reflect the ...circumstances that ...ng the hear market. ... the working party ...concerned with the ... foreign companies ...up against the code's ...ts because they are ...ondon; the question ... parties and manda- ...has been considered ... (this problem was ...t the 1974 code re- ...artial hids and, at ...esoteric level, there ...further thoughts on ...on of assets in rela- ...s and the fair trean- ...nvertible loan stock ...takeover situations.

Most important, of course, will be revised views affecting the areas of concert parties and mandatory bids. A comprehensive new practice note will he included in the revised code.

The panel will be ahle to take into account the relationship between concert parties in mandatory bids sitontions. For instance, a reshuffling of family shareholdings in a company—perhaps for taxation reasons—which results in a member of the family holding mora than 30 per cent of the equity and thus becoming liable to bid for the outstanding stock may not invoke a mandatory bid. The sort of factor which the panel would apply here is the price paid in the transfer of the shares.

On the other hand, the working party will be trying to ensure that when someone puts himself in a situation clearly demanding a mandatory bid he is ahle to carry it through.

It is probable then that the code will say that when a bid is first announced rather than at the time of the offer document, it must be accompanied by an independent statement—probably from the bidder's bank—that the necessary money is available to complete the full bid.

Foreign companies seem likely to benefit from a less rigid application of the code. In future, so long as no United Kingdom company is involved the panel is unlikely to insist that the code's rules should apply simply because a foreigner is listed in London and usually has some British shareholders. The Unicorp/General Mining situation provides some case law here, as it does in the area of partial bids, something else which the revised code may make easier.

It is accepted, of course, that to a foreigner wishing to retain an enthusiastic management in the company for which he is bidding, the idea of a partial bid is attractive. Dana Corporation's partial offer for Brown Brothers is a topical example.

If the panel can be convinced that the motives for a partial bid are honourable and are not to lead to the minority being oppressed, it will normally be happy to give the go ahead, though it is recognized thet ultimately protection for minorities must be a matter for new company law.

LSMO/SCOT

Assessing the risks

There is undoubtedly an element of risk in subscribing for the Ninian financing package from LSMO/SCOT hut the risks should not be overstated, either on the 14 per cent unsecured loan stock or on the Oil Production Stock.

Taking the loan stock first, the consortia have built what is called "negative pledge" into the trust deed. This means that no charge or mortgage can be created upon the groups' interest in Ninian—upon the oil in effect—that ranks ahead of the loan stock.

Thus there is some last resort security and the other question arising for investors in the loan stock is over the servicing of the interest in the event of delayed cash flow. Tha assumption here is that if the first of the two Ninian platforms should miss its April, 1977 tow-ont date owing to adverse weather there would be six months for a second attempt before winter sets in.

So the chances of obtaining some revenue from oil sales in 1978—if not the targeted £5.6m from two platforms—must be quite good. Even if the second and easier to instal (concrete) platform failed to be installed in 1978 there should be some cash flow to support bank borrowing to meet any shortfall on the £11.9m cost of servicing the loan stock in that year.

LSMO has borrowing limits up to £150m and could create a floating charge over the oil as it is won, behind the loan stock of course. After that, oil revenues building up rapidly from a tentative £5.6m 1978 figure to £28.5m the following year and m well over £50m a year around 1980 should comfortably take care of the loan stock interest.

So then there is the prospect of cost inflation. A £294.3m escalation and n £78.8m contingency have been added to Ninian's estimated £765.7m total costs, designed m be spent up to 1982. It is almost impossible to say whether this 38 per cent escalation provision is realistic, particularly given the way BP's Forties field for example bas been affected by inflation, hut at least 40 per cent of the Ninian pipeline has so far been built well within scheduled cost.

No provision has been made for inflation of operating costs though the assumption here is that United Kingdom domestic inflation affecting those would be reflected in devalued sterling and, therefore, in increased sterling income, given that North Sea oil will be valued in United States dollar terms.

As for the OPS, the projected incoma stream of 455p per 10p unit by the year 2000 assumes only a 30 per cent recovery of Ninian's oil on the basis of an 84-well development. This is possibly a highly cautious estimate by DeGolyer MacNaughton and might well be exceeded in fact though the possibility of the Government if not the other partners in Ninian restricting the recovery rate must not be ignored. The market must take its own view on this though it is one reason why people involved in the issue very much unofficially believe that OPS could settle at nearer £2.50 each after the issue than the £1.50 suggested by outside estimates.

All in all the authors of the scheme, Morgan Grenfell and Cazenove must be judged to have secured fairly good financing terms for LSMO/SCOT. Translated into an overriding royalty, the 8.75 per cent of the value of petroleum (including the tax credit) they are paying on the OPS is probably equivalent to between 7 and 7½ per cent.

True, that compares with an overriding royalty of 2½ per cent rising m 5 per cent for the Thomson bank finance for the Piper field. Ninian, however, is not Piper; it is not such a prolific field and the financing required is n good deal larger.

Hugh Stephenson

Regrets the City could avoid through an equity bank

There was much (leaked) sound and fury at the end of last week from the opponents of the proposed City equity bank.

It will, however, be a pity if the strongly held views of a vociferous minority prevent the thing from getting under way at all. For that would strengthen the view of those who think that "the City" believes complacently that all is already for the best, in this the hest of all possible financial centres. And there are certainly those, industrialists and politicians (of the right as well as of the left), who think otherwise.

One problem with the exercise all along has been, though it is strenuously denied by all concerned, that it was born out of a panic reaction to the National Enterprise Board and to increasing use of Industry Act powers to assist "wounded heros". The City had to have its own initiative.

This has obscured the fact that many of those most closely involved recognize n gap in our capital raising mechanisms, which e new body might begin to fill.

Finance for Industry and the clearing banks get requests for increased loan capital from companies, which are in no position to carry such extra load, hut which might be able to proceed with extra equity capital. The corporate "Catch 22" is that they often cannot get that either. No one knows what the volume of such demand might be.

In this case a modest start, at the end of a strong downswing in the business cycle, is surely the sensible way to proceed.

Much has been made of the fear that any such new source of funds would be subjected to "political" pressure. So it might; but it would then be up to the shareholders to appoint a board and e chairman, who would resist.

Lord Seebohm must have been under some political pressure for his FFI to put up £35m to Chrysler UK last December, particularly since the Government had already indicated that it would and was offering a guarantee against default. But be still said, "No", on the grounds that it was not close to being a commercially justifiable loan. And Lord Seebohm might represent FFI on the new equity bank board.

Further, if Lord Plowden were to serve es chairman, two other problems would be solved. First, the chairman would be an industrialist, which would avoid invidious choice from one rather than another kind of City institution and would introduca "industrial" judgment.

Secondly, it would still the fear that the new institution would be used too actively by some hright younger man to make his own reputation.

There are some now who wish that the whole exercise had heen presented as a possible "equity" extension of FFI, but it has now gone too far to get back to that and, anyway, it would have been seen in some quarters as an attempt at FFI empire building.

But there is no reason why it should not adopt the commercial ethos of FFI, bearing much the same relationship to "normal" sources of equity finance as FFI does to "normal" sources of loan finance. In other words, the criteria used should be *very nearly* ordinary commercial criteria for *very nearly* all of the applications coming before it and the new bank should show a profit, taking one reasonable period with another.

Taken singly, the views of the objectors may be valid enough. The decision to raise the suggested authorized capital of the new bank from £300m to £500m excited suspicion, as did certain phrases in the draft documents that rang chords of Lord O'Brien's abortive campaign (when Governor of the Bank of England) to get institutional investors to behave less like the absentee landlords of British industry.

The Scottish offices, in the spirit of financial devolution, do not feel such a close responsibility for the image and performance of the "City". Some of the mutual insurance companies consider that they have particularly strict standards, which prohibit them from subscribing a penny of policy holders' money to such an untried venture. But, looking at the thing as a whole, if the financial community does not do even this little thing, it will come to regret it.

Can the Icelanders break the tangled net of issues at stake in the cod war?

Ronald Kershaw

British trawler skippers are once again fishing Icelandic waters and the brief period of détente in the "cod war" appears to be at an end. The diplomatic skills of Mr Wilson and his Cabinet colleagues have heen stretched to their limit and the hall now rests firmly in the court of the Icelandic Premier, Mr Hallgrimsson, and his government.

Common ground for negotiation has heen found in that both countries agree that cod conservation measures are necessary, though there is a difference in degree. Whether this will lead to talks of tonnages remains to be seen and at this point in time, Britain is looking to Iceland to hreak the impasse.

On the face of it, the present deadlock, which has been exacerbated by innumerable clashes between tugs, trawlers, the Royal Navy and Icelandic patrol boats on the high seas, looks unhreakable.

Icelandic politicians are eware that feelings against Britain are running high and that any government which offers Britain any kind of catch concessions will be committing political suicide, notwithstanding the fact that legally Iceland is in no position to offer anybody anything outside her 12 miles limit.

The near hysteria in Iceland is beginning to communicate itself m Britain and talk of the British "surrender" is to be found among trawler skippers es well as in newspaper headlines.

To keep the whole matter in perspective it should be realized that nearly 70 per cent of fish landings by British vessels are caught in waters around the United Kingdom. The distant fishing grounds like Iceland and Faroe, the Barents and Norwegian seas, and along the coasts of Newfoundland, Greenland and Labrador provide just over 30 per cent of the total United Kingdom catch, but over 60 per cent of our cod.

In order not be accused of over-simplification, it should be said the importance of an Icelandic agreement extends beyond the simple husiness of the supply of fish. It involves the international imposition of 200 miles' fisheries limits and the restructuring of the European fishing fleets.

It touches on the value to Nato of its base in Iceland and on the possibility of Iceland under the pressure of economic problems moving into the maw of Russia. Of immediate interest to Britain's fishing industry, however, is the social and economic impact that any cessation or severe cut of the current Icelandic catch will produce.

According to the British Trawlers Federation there are at present just under 100 vessels committed to fishing in Icelandic waters. They cannot fish elsewhere because internationally agreed quotas are already being taken up by other British vessels. The north-east Arctic is the province of freezer trawlers and is too far to send "freshers" anyway. Quotas in the west Atlantic have just about been taken up and home water fishing is already spoken for by other sections of the British fishing fleet.

In previous years Icelandic waters bave produced about 130,000 tons for Britain. It is doubtful whether this figure could now be achieved because of the contraction of the distant water fleet through economic and other circumstances. The average catch of a distant water trawler is ebout 1,250 tons e year.

If one took as a round figure 100,000 tons for Britain's Icelandic catch at present and started reducing that figure to the catch of 65,000 tons offered by Iceland and subsequently withdrawn, it would be seen the British fleet would very quickly shrink.

Taking into account a trawler crew of 21 and the accepted ratio of eight to one in terms of land-based jobs springing from fishing, each trawler lost would mean 168 people added to the unemployment register. If 35,000 tons were lopped off the catch of 100,000 tons then nearly 5,000 people would lose their jobs immediately.

On the financial side the impact of quota restrictions would be shattering. Last year British deep sea trawlers made an average loss of £23,000 each according to a costing investigation carried out for the British Trawlers' Federation. This includes government subsidies and depreciation.

Leaving aside from the mathematics the depreciation element, the trawlers made a profit of only £1 n day. Now that government subsidy has been phased out the situation is even more critical.

Just to send n deep sea trawler to sea and operate it costs nearly £250,000 a year before meeting capital charges such as depreciation and interest. Fuel alone costs £4,000 n trip to the distant water grounds and is rising.

Gear, much of it made from petro-chemical-based, man-made fibres has rocketed in price. Loss of gear under pre-cod war conditions is on everage £2,000 to £3,000 a trip. Including wages, an everage trip costs £1,500 n day for 20 days, which means that £30,000 must be made before profits start.

No company operates solely Icelandic vessels, so to some extent losses may be offset. Ports stand to be worst affected. Fleetwood has a catch of something over 20,000 tons, virtually all from Icelandic waters, and if the catch were seriously cut or ended, the port would die.

If a quota of 50,000 tons was agreed each company would have its own allocation based on past performance. It would plan its sailings and catch rate to try to ensure that vessels were kept operating through most of the year.

When the company's allocation was exhausted vessels would sit and wait for the next year's allocation. If cuts were serious and vessels were unable to operate, shore-based services would fade away.

Companies employing, for instance, highly trained technical staff to maintain electronic apparatus would find it unviable to keep staff and workshops open. A BTF spokesman said severe cuts in catch rates would prodoce almost incalculable losses.

"The Icelandic vessels cannot fish elsewhere, so there would be a capital loss, the loss of ships, the loss of the fish which would mean higher imports and loss to the balance of payments, as well as the loss to supporting industries."

Britain's other immediate major concern is her position as the premier fishing power in the EEC. The United Kingdom is by far the biggest producer of fish for human consumption in the European Community and has in total almost 7,000 vessels, the largest fleet in terms of gross registered tonnage. The fewer the vessels we have, the weaker our bargaining position within the EEC when it comes to restructuring European fleets in the light of the 200 miles limit.

There is no doubt that the 200 miles limit will eventually come. It is expected that at the United Nations' Law of the Seas Conference in March the general principle of the 200 miles limit will he accepted, though action to implement it is unlikely at that time.

When that situation is reached Britain will be unable to "do an Iceland" as e BTF spokesman put it. "We heve to think ehout the effect oo other nations. Norway for instance depends on fishing our waters for the sort of fish we do not utilize to the same extent—herring, mackerel, sprats. The same goes for Denmark. You cannot chuck everybody out and destroy their fleets as Iceland looks like doing with ours" said the spokesman.

If a solution is to be found Britain's negotiators will have to persuade Iceland to take e broader view of its trading interests. British observers tend to cite Norway as an example and point out that while she did not join the EEC she was shrewd enough to negotiate an agreement to export her products including fish to the EEC.

Iceland has not taken such precautions and in fact has been at odds with one or another of the EEC countries over recent years. The result of this was that when the United States market went sour and imports from Norway and Iceland were no longer required the Norwegians had an alternative European market to turn to. Iceland has no such opening. In fact her alternative is a gradual increase of fish exports to Russia.

Part of Iceland's great inflation problem has been the collapse of the United States market. The rest has been caused by rocketing fuel prices. Iceland has for some time taken all her fuel oil from Russia. Since 1973 the price of fish sold to Russia has increased by 57 per cent, whereas the price of fuel oil from Russia to Iceland has quadrupled and this has produced a substantial balance of payments deficit, with Russia the main problem.

If Iceland can negotiate some reasonable agreement with Britain on catch limitations and in so doing pave the way to e European market then she will be spared the necessity of falling deeper into Russia's debt.

Iceland is at present enjoying one of the highest standards of living in the world, hut with it one of the highest inflation records. As its economy is based on fishing it is natural that the people of Iceland become frantic at what they consider to be the rape of their stocks by British outsiders. One is tempted to point out that "the devil you know is better than the devil you don't know".

...ness Diary in Europe: Germans close ranks • Italians regroup

...any's industrial and ...lobbies are planning ...iks. By 1979 at the ...BDI, the powerful ...ustry federation, and ...he central employers ... should he sharing ...president, Dr Hans ...leyer, the present ...BDA.

...n is the brain child ...mbent BDI chief, Dr ...er Sohl, who sees it ... a more effective ...ght to the united ...ented by the DGB, ... trade union federa- ...

...ible presidency is ...so far in the future ...e BDI has already ...fessor Kurt Hansen, ... chief executive of ...chemical group, to ... Sohl for 1977 and ...

...in Schleyer.

Schleyer is a forceful man and looks very much the entrepreneur. He is a member of the managing board of Daimler Benz and before taking over the top position in the BDA, was chief negotiator for the employers in the wages negotiations for the engineering industry in the crucial Baden Württemberg area.

In the course of his presidency of the BDA, he has propelled the employers federation more into the public eye and has earned the respect of the unions and West German Chancellor, Helmut Schmidt.

SIRviving

Nino Rovelli, who built up the Societa Italiana Resine group from scratch, has the reputation of thinking up ingenious formulas for getting the hest out of regulations.

His petrochemical empire is based on the formation of more than 50 companies, many of them existing side by side at places like Porto Torres in Sardinia, each able to claim the maximum benefits from concessional financing for the Mezzogiorno.

Now he has taken a step which at first sight might appear contrary to the direction being followed by his bigger rival, Signor Eugenio Cefis's Montedison.

While the Montedison parent is being transformed into a financial holding company, providing greater operational autonomy for its subsidiaries, Rovelli's companies are giving up some of their notional autonomy through the formation last week of two consortia—SIR Consorzio Finanziario, and SIR Consorzio Industriale. The object in both cases, though, is rationalization.

A statement mentioned the obvious benefits in better access and lower costs on financial markets, as well as savings in coordinating supplies, services and management activities.

It is expected that the industrial consortium will be headed by Renzo Edefonti, SIR's director general, while Rovelli will be in charge of financial activities.

Law report

The most dangerous European country in which to be a company director is France, because you can be made personally bankrupt on the insolvency of your company.

Swiss law allows a company to have secret reserves which need not be admitted to its shareholders. A company director in The Netherlands can retain greater control over the company's affairs, to the exclusion of shareholders' wishes, than anywhere else in Europe. Lichtenstein offers a company the best tax edvantages.

All this and more is to be found in a monumental compilation* of the company laws of Europe, just out.

Co-editor James Thompson, head of the law department of the City of London Polytechnic, believes, comfortingly, that English company law still rates as high as any other European system—if that is saying very much.

His co-editor Steven Frommel has a suitably cosmopolitan background: a Paris-born German citizen, an advocate and professor of law in the Argentine, he now lectures in England.

* *Company Law in Europe*, edited by S. N. Frommel and J. H. Thompson.

Worker power

In the small hours of Saturday morning the Dutch Cabinet decided m postpone the discussion of the thorny problem of e change in the law on works councils until Monday.

The six ministers, representing the Socialist Party and their allies, support the socialist pledge made in 1971 to legislate a reform of the constitution of the works councils, which is compulsory for firms of any reasonable size and which have considerable powers and much consultative influence in those firms which heve obeyed the law and introduced them.

Franz Andriessen, chairman of the Roman Catholic KVP—the largest of the three Christian democratic parties—in the second chamber, said at a party congress during the weekend: "We do not intend to vote on n form of workers' power. This is not the industrial structure we had in mind when we agreed to support this Cabinet three years ago.

"We will not be afraid of the consequences of sticking to our guns."

His Government bench partner, Ed van Thijn, chairman of the Parliamentary Labour Party, has accused Andriessen of inviting a Cabinet crisis by repeatedly referring to one.

"You said there was going to be a crisis five times last week", van Thijn accused him on television this weekend. "Nonsense, I only said it three times", retorted Andriessen.

Monday's Cabinet meeting will show whether he was exaggerating or merely using politicians' licence.

Reverse head

Tha National Society of Operative Printers, Graphical and Medial Personnel (Natsopa to the rest of us), which was one of the most virulent opponents of British membership of the Community during the run-up to the referendum last year, has decided to look for Brussels cash to ease Fleet Street's manning problems.

In a paragraph at the end of his lead article in Natsopa's current *Journal and Graphic Review*, Owen O'Brien, the new general secretary who took over from the arch anti-Marketeer Lord Briginshaw, discloses that he has asked John Goss, British representative on the EEC Social Fund, to meet national officers of all print unions on February 11.

O'Brien—much more to the centre of the Labour Party than was Lord Briginshaw, who last week resigned from the TUC delegation to the EEC Economic and Social Committee—says: "I sincerely hope our colleagues will take advantage of Mr Goss's attendance, which I am sure they will consider will be to the advantage of all our members."

The Natsopa leader reminds the other unions that "massive sums of money" will be needed to finance the forthcoming Fleet Street voluntary redundancy deal designed to facilitate the introduction of new printing technology on which the future of the national press depends. Funny what money can do.

FINANCIAL NEWS AND MARKET REPORTS

Pancontinental: a bandwagon going out of control

Star punting stock of the moment is without doubt Pancontinental. After a phenomenal rise last year from a low of 220p, it put on no less than £6⅝ to £17½ last week on the back of the announcement of the near-doubling of known uranium reserves at its Jabiluka deposits in the remote Northern Territory. On Friday alone the rise was £4½.

No doubt it will continue to rise in the short term, but this is no stock for those lacking the gambler's nerve.

I made this point two months ago, when Pancontinental was standing at 920p after having put on 195p in a week, and I make no apologies for having done so.

The bandwagon has gone out of control—rather as it did with Poseidon—and it is impossible to say where it will end. It was suggested to me on Friday that the price would go high into the £30-£40 range before falling back.

Whether or not it reaches those heights remains to be seen, but all that can be said with any certainty is that it will fall back—and sharply.

It would appear that the market is being made not in Australia but mainly in the United States with some help from London and the rest of Europe. Few of the buyers who have got in on the act seem to be long-term holders.

At the moment Jabiluka's wealth rests on what is in the ground (which is undoubtedly good and will be profitable), and on a lot of hopes. Apart from that there is nothing—not even a hole in the ground.

There is no infrastructure, mining equipment or financing arrangements. There is as yet no government permission for the venture and no permission will be forthcoming until well after the report on the potential environmental effects of the Peko-Wallsend-EZ Ranger project is published, probably in the summer.

Even when government permission is granted, Jabiluka will probably be among the laggards getting into production, with the Ranger development and Western Mining's venture well to the fore.

There are a couple of other items affecting the project, which may be considered insignificant at the moment but could grow in importance later. First, Pancontinental has only 65 per cent of Jabiluka, with Getty Oil holding the remaining equity.

While some of the more hysterical chauvinism has been stilled, there remains a quite understandable reluctance to see foreign companies holding a major stake in such a strategic mineral. There could, therefore, be some political problems overhanging the venture.

Secondly, part of the deposits are on Aboriginal religious land. In the past the Aborigines have often been bought off cheaply, but despite the change in government the tide has turned more their way and Jabiluka could end up paying substantial royalties to the Aborigines before the inevitable government cut is considered.

The share price reaction to the announcement of the near-doubling of known reserves was ridiculous. The previously stated reserves of 115,200 short tons of U308 were large enough to allow for the establishment of a major mine with a life of 20 years.

It was also reliably estimated that actual reserves were much higher than stated. Therefore finding more reserves was a waste of time and money as well as largely academic.

However, given the speculative nature of the stock and the thin market, just about anything will move the price.

For investors who want to get into the Australian uranium scene, better and quieter alternatives are Peko-Wallsend, which has gold and copper props, and Western Mining with its substantial nickel interests.

Mining

A good rise in tin

Some have to suffer misfortunes for the common good, and so it is that tin, which has been labouring under heavy pressures for more than a year, saw a useful price rise last week in the wake of reports of labour strife at Amalgamated Tin Mines of Nigeria and in Thailand.

Tin and the shares in the operating companies are traditionally volatile and susceptible to political winds of change, particularly since the Far East—Malaysia, Thailand and Indonesia—accounts for about two thirds of the non-Communist world's production. Traditionally tin shares have been high yielders while the market is thin.

Last year, the tin industry went through a severe patch when supplies substantially overran demand, with many mines being forced to cut production or go into care and maintenance. There are likely to be a large number of sickly profit statements emerging shortly, and therefore historically high-yielding shares should not be the automatic selection.

Far better to go for the longer-life mines, better able to withstand the vagaries of world economics. (Incidentally, fears of heavy unloading from United States strategic stockpiles are likely to prove groundless given that the United States is proposing at last to come into the International Tin Council.)

Malayan Tin Dredging, which last November said that profits could not be expected to match those for the last two years, seems set to hold its dividend at 16.5p gross, which at 172p a share gives a yield of 9.6 per cent and a p/e of about 9.4 on full-year net earnings of, say, £1.7m as against £2.1m.

The only problem here is Malayan Dredging's exposure via Aokam to the labour troubles in Thailand.

Desmond Quigley

BAT's final figures tomorrow

Tomorrow is the key day of the week for company profit statements—notably British-American Tobacco's final results. Also due are the Wagon Finance end-year figures, plus interims from Dowty and Beyer Peacock. Decca (interim, Thursday) also stands out.

TODAY, interims.—Christie Tyler, Ellis and Everard, and McKay Secs. Finals.—Hirst and Mallinson, Prestige Group, and U. C. Investments.

TOMORROW, interims.—Beyer, Peacock, Dowty Group, Scottish etc Textiles and Unitech. Finals.—Bond St Fabrics, British-American Tobacco, Wagon Finance, and Westinghouse Brake.

WEDNESDAY, interims.—Mining Supplies, B. Priest, and Stoddard Hldgs. Finals.—Pratt Eng.

THURSDAY, interims.—Bett Bros, Decca, Helical Bar, and Regional Prop. Finals.—Goode Durrant and Murray, and Ladies' Pride Outerwear.

FRIDAY, interims.—Centreway Secs and Steinberg Grp. Finals.—Beaumont Prop, Crest Nicholson, and Harris Lebus.

Even banks have their followers

The approach of the bank season is heralded by Fielding, Newson-Smith. The broker says interest rate margins were widening during 1975 and the profit drop will not be too drastic. It anticipates a profit rise of a fifth in domestic banking in 1976 and further gains from international banking. Lloyds could be the best performer provided it does not have a rights issue, and Barclays could also do relatively well. It says none of the banks is in immediate need of new capital.

Rowe & Pitman, Hurst-Brown shares much of Fielding's thinking but recommends National Westminster for recovery potential and Midland for yield. Sheppards and Chase is more bullish for the sector as a whole.

Williams De Broe Hill Chaplin considers predictions from the EMI boardroom of future profits from the now famous medical scanners to be "conservative". For 1975-76, the broker forecasts profits of £47.3m—a rise of 35.7 per cent on the year.

Both De Broe and Rowe Rudd look at Plessey following publication of the quarterly figures. Both agree that the group will make about £35m before tax this year and that Plessey is going to find life difficult. De Broe is content to suggest that holdings should be kept. But Rowe Rudd thinks that Plessey has reached the bottom of its particular cycle. Rowe Rudd also considers Thorn Electrical a "potentially rewarding investment" and backs Ultra Electronic as well.

Brokers' views

Reviewing the oil industry, De Broe comments that there is now a lot of surplus capacity, and that this may limit Opec's next price increase. For this and other reasons, oil industry profits may improve this year. Its nap is Ultramat.

Montagu Loebl Stanley surveys overseas profit makers and reminds clients that Lonrho's first quarter figures are expected soon. It predicts that they will show a "substantial increase".

Inchcape come in for favourable mention from both Montagu Loebl and from Bell, Lawrie Macgregor—a successful placing was reported last week. Montagu Loebl makes the point that the shares are a way into a strong Hongkong market without paying the dollar premium.

From De Zoete & Bevan comes its latest analysis of property. De Zoete argues that some second line shares were so low at the beginning of 1975 that percentage rises in share prices can be "meaningless". Property values remain the main factor for the share market, and De Zoete does not expect to see a real improvement in the property market before 1977. Therefore, it suggests that property shares may be a buy this year just ahead of a possible cyclical downturn in industrial equities.

Terry Byland

Business appointments

Sir George Middleton joins Mears

Sir George Middleton has joined the board of Mears Bros Holdings.

Mr Raymond Davey has resigned from Angel Toy Group to rejoin Management Projects Group as managing director.

Mr John Scoon has been made chairman of BWIA International. Mr Peter Look Hong has been promoted to chief executive officer, taking over from Mr Sven Svanberg.

Mr C. D. Cook, formerly director and general manager of Automotive Products parts and service division, has been appointed to a new position as director, parts and service. He is succeeded as director and general manager, parts and service division, by Mr R. A. Inchley.

Mr M. S. Gorvy, Mr E. W. Phillips and Mr R. V. Wood are three new directors of Haslemere Estates.

Several board changes have taken place at Gallaher. Mr H. B. Glyn retires as joint managing director. Mr S. G. Cameron becomes chairman of the Tobacco Executive. Mr L. F. G. Pritchard, previously joint managing director, is now managing director. Mr M. S. K. Maunsell has retired as a director of Gallaher Ltd. Mr P. J. H. Grierson is now the chairman of the Gallaher Wholesaling Division. Mr P. F. Benton has been appointed chairman of the Mono Group.

Mr Albert Long has become chairman of Farnell Electronics. He succeeds Mr Alan Farnell, who remains a director and who has been appointed life president on his retirement as chairman.

Mr John Moore, company secretary of Kangol Helmets, has joined the board.

Mr Leslie Coulthard, chairman of the Coulthard Group, has resumed the role of managing director vacated by Mr Giles Foy, who has left the organization.

Three new directors join the board of Adam Brothers Contingency. They are Mrs I. E. Crook, Mr E. D. Warner and Mr J. E. Freeman.

Mr J. B. Field, managing director, will succeed Mr R. G. Shave as chief executive of Bradbury, Wilkinson with effect from April 1. Mr Shave will remain chairman.

Sir Brian Mountain and Mr Nicholas Mountain have been named directors of Airwork Services.

Mr Eric Koops has joined the board of CSM Parliamentary Consultants as non-executive finance director and company secretary.

Mr J. R. Dickinson and Mr D. Baker have been elected directors of J. H. Minet, treaty division (marine).

Mr Charles Wilson has been made a director of W. W. Hall.

Mr Roy Simpson has been appointed to the board of Perivan Press.

Mr Douglas Thorpe joins the board of Petrolite.

Mr L. C. F. Parker, company secretary, becomes a director of Simpson (Piccadilly).

Mr Peter Deal and Mr Gareth Owen have been appointed directors of Wallace Brothers Bank. Mr Roger White becomes a manager of the commercial banking department.

Mr C. J. B. Green will be joining the executive staff and the board of Cerro Metals (UK) on March 1. Mr Ralph F. Dreyfuss has resigned from the board on relinquishing his position as president, Cerro Sales Corporation. Mr Jaime Claro, who has succeeded him as president of Cerro Sales Corporation, has been appointed a director of Cerro Metals (UK). The board of Cerro Metals (UK) has accepted the nominations of Mr M. S. Farmer and Mr J. Goldschmidt as alternates to Mr A. M. Vere and Mr J. Claro respectively.

Mrs A. Gordon and Mr H. L. Gibson have been made part-time members of the East Midlands Electricity Board.

[FINA]NCIAL NEWS AND MARKET REPORTS

[Whit]e Child top forecast [to m]ake one-for-ten scrip

[P]rofit of White Child [...], the Manchester-[...]ics and container [...]ng group, fell from [...]1m to £947,000 for [...] September 28, 1975—[...]ed the forecast of [...]50,000" by 11.4 per [...]

[...]rent trading show-[...] better demand, the [...]nd is lifted to the [...]ermitted and a one-[...] issue is proposed. [...]nal dividend raised to 1.734p, the total is up from 2.75p to [...]are net. Earnings [...]e shown to be down to 7.060p.

[...] are ahead of fore-[...] much worse con-[...] the second half", [...]man Mr Richard [...]

[...] sheet has been con-[...] strengthened and [i]mproved. Current [...]ws sings of better [M]r Beney expects to [...] 1976 results at the [me]eting on March 31.

Sales in the year fell from £11.26m to £9.97m and trading profit from £1.34m to £1.16m. After tax down from £564,602 to £470,733, net profit contracted from £541,897 to £476,302. Foreign currency loans were fully repaid and an exchange loss of £225,194 absorbed.

Seafield Gentex qualifications

Spinner and weaver, Seafield Gentex, carries an auditor's qualification to its accounts for year to September 30. The auditors say that it is the *group's policy* to write off losses on the disposal of *subsidiary* companies through reserves. During the year, losses of £796,000 were charged directly to reserves. The auditors argue that the Statement of Standard Accounting Practice on Extraordinary Items requires such charges to be made against the profit and loss account.

Mr Richard Lord, chairman, says each company within the group has prepared a careful budget for the year ahead. In most cases, these have been based on a sales level below production and at margins which do not reflect the higher costs facing the group. The problem, he adds, is to increase sales and then margins. All that can be hoped for now is a halt to losses. Last year the group had a pre-tax deficit of £233,000.

Dutch group merger with US corporation

Shareholders of Robertson Distribution Systems Inc (RDS), Houston (Texas), have approved a merger whereby an affiliate of the Dutch Pakhoed Group will acquire all outstanding shares of RDS. The name of the combined companies will be Paktank Corporation.

A price of US$25m cash ($22 per share) will be paid by Pakhoed. RDS is a major tank-storage and trucking company.

Pakhoed is a Rotterdam-based international group with three main activities, rendering logistic services (oil terminals, pipelines, service refining) to the chemical and energy market (Paktank division), specialized distribution services (Paktrans division) and management and development of commercial property (Blauwhoed division).

Its new investments in the United States are increasing rapidly and are anticipated to amount to more than $250m in the coming five years.

Joint ports' services company formed

Powell Duffryn and Interdom Holdings have completed the formation of a joint company to be known as Humberside Sea and Land Services, to own and operate their complementary port service activities at Immingham, Grimsby and Howdendyke.

Both parties say they are confident that this will enable a more efficient service to be provided.

The new company will have an initial authorized share capital of £2m to be issued at par to the principals as fully paid up ordinary shares in consideration for the assets employed.

Euromarkets

The Eurobond market is continuing to show signs of strain from this month's record volume of more than $1,900m (nearly £930m) worth of new offerings.

To the surprise of some observers, new issue volume is continuing unabated. However, bond investors are clearly able to pick and choose, with the result that some of the recent medium-quality issues have been left with the underwriters, who have been dumping the unplaced bonds on the market.

"We no longer have a bond market, but a market of bonds", one American investment banker in London commented.

One issue to perform well was a $60m seven-year note offering of Seagram, the Canadian distiller. Priced at par bearing 9 per cent on an amount increased from an originally scheduled $40m, the issue was trading Friday at 99.25-99.75. Seagram has outstanding debt that is "AA" rated.

However, some other recent issues did not perform well when trading started. A $30m seven-year note issue of the Industrial Mining and Development Bank of Iran was clearly a flop.

Priced at 99, bearing 9.25 per cent, to yield 9.45 per cent, the issue traded as low as 95.5 for a yield of 10.18 per cent. A $25m seven-year issue of Mo Och Domsjo, the Swedish pulp and paper producer, was quoted Friday at 98-98.75, after being offered at par bearing 9.5 per cent.

Trading has not yet started in a $25m five-year South African Government note issue. However, syndicate sources said investment demand was weak so that the offering price had to be set at 98 bearing 9.75 per cent for a very generous yield of 10.28 per cent.

After a $20m seven-year note issue of Sundstrand International Finance was priced at 99, bearing 9.75 per cent to yield 9.96 per cent, the issue was quoted Friday at 97.25-98 for a bid yield of 10.32 per cent.

Despite the poor aftermarket performance of some of the recent offerings, underwriters say that most of the issues scheduled for offering are selling well.

—AP-Dow Jones.

Eurobond prices (yields and premiums)

$ STRAIGHTS	Offer Price	Redptn Yld
AIDC 10¾ 1981	104½	9.30
Air France 9¼ 1982	103	8.45
Arlesso 8¼ 1988	91	9.79
ARDB 9¼ 1980	102	8.84
Ashland 8 1987	94¼	8.88
Barclays Bank 9¼ 1982	101¼	8.97
BrCE 9 1982	101¼	8.85
Broken Hill Prop 9¼ 1981	102¾	8.95
British Steel Corp 8¾ 1989	93	9.95
Burlington 7¾ 1987	94¼	8.72
Carrier 8 1987	95¾	8.55
CECA 8¾ 1982	100¾	8.70
Chevron 7 1980	94¼	7.36
Conoco 7 1980	99¾	7.39
Conoco 8 1986	100	8.07
Cons Food 7¼ 1991	91½	8.58
CSR 9¼ 1980	102¼	9.01
Curacao Tokyo 8¾ 1988	95½	9.30
Curacao Tokyo 10¼ 1981	104	9.45
Cutler Hammer 8 1987	94¼	8.88
Dana 8 1987	94½	8.86
Denmark Kingdom 7½ 1990	84¼	9.63
DSM 9¼ 1980	102¼	8.78
EIB 9 1980	102¼	8.55
EIB 9½ 1985	103	9.25
Escom 9¼ 1989	93	10.53
Escom 10¼ 1983	101	10.15
Escom Floating Rate 9¼ 1982	97¾	9.75
First Chicago 7 1980	98	7.73
GATX 8¼ 1987	94½	9.14
Gould 9¼ 1985	100¾	9.75
Guardian Royal 8 1987	103	7.67
Gulf and Western 9¾ 1980	103	9.05
ICI 7¾ 1992	90	8.92
International Util 8¼ 1982	97	8.99
Motorola 8 1987	95¾	8.75
National Coal Board 8¾ 1988	92	9.96
New Zealand 9 1980	102¾	8.39
New Zealand 9¼ 1982	103	8.74
Nippon Fudosan 10¼ 1980	103¾	9.14
Nippon Steel 9¼ 1980	103	9.09
NA Rockwell 8¾ 1987	94¾	9.11
Occidental 10 1981	101	9.87
Ontario Hydro 9 1980	103¾	8.24
Pacific Lighting 8 1988	95	8.73
Pacific Lighting 9¾ 1981	104¼	8.85
Pennwalt 8 1987	96	8.78
Ralston Purina 7¾ 1987	96	8.12
Scanraff 7¼ 1990	92¼	8.48
Scanraff 8¾ 1988	99¾	8.76
Shell 7¾ 1987	96¾	8.06
Singer 11 1977	99¾	12.06
Skandinaviska 10¼ 1981	106	9.02
Standard Oil 8¼ 1980	103	7.50
Standard Oil 8¾ 1988	101¾	8.26
Standard Oil 8¾ 1988	101¾	8.54
Statsforetag 9¼ 1980	101¾	8.91
Gibron 8 1987	95¼	8.71
Tenneco 7¾ 1987	91¾	8.97
Textron 7¾ 1987	91½	9.05
Transocean Gulf 7¼ 1987	96	8.13
Union Oil 7¾ 1987	96	8.13
Williams & Glyns 8¼ 1987	87	10.46

DM BONDS	Offer Price	Redptn Yld
CFP 8¾ 1985	100¼	8.50
Denmark 9¼ 1989	102¼	9.05
ICI 8¼ 1982	100	8.60
Mexico 9 1982	101	8.89
National Westminster 8 1988	97½	8.39
Sumitomo Metal Inds 8¼ 1982	101	8.29
Sun Int Fin 7¾ 1968	95	8.81

$ CONVERTIBLES	Offer Price	Conv Prem
AMF 5 1987	68	59.13
American Express 4¼ 1987	88	36.05
Beatrice Foods 4¼ 1992	85	37.14
Beatrice Foods 6¼ 1991	111½	2.18
Beatrice Foods 4¾ 1993	107½	2.11
Borden 5 1992	99	10.25
Borden 6¾ 1991	107	8.85
Broadway Hale 4¾ 1987	79	39.32
Carnation 4 1988	86¼	24.85
Chevron 5 1992	102	2.47
Cummins 6¼ 1986	82	96.85
Dart 4¾ 1987	89	156.34
Eastman Kodak 4¼ 1988	127	4.59
Economic Labs 4¾ 1987	84	30.22
Federated Dept Stores 4¼ 1985	137	6.71
Ford 5 1988	82	15.28
Ford 6 1986	94¼	19.47
Gillette 4¾ 1987	77¾	50.75
Gould 5 1987	88	2.75
General Electric 4¼ 1987	89¾	32.65
Gulf and Western 5 1988	98½	1.67
Harris 5 1987	78	18.93
Honeywell 6 1986	83	105.53
ITT 4¾ 1987	73	47.61
J. Ray McDermott 4¾ 1987	126¾	1.76
J. P. Morgan 4¼ 1987	113¼	2.46
Nabisco 5¼ 1988	98	23.82
Owens Illinois 4¼ 1987	100	1.33
J. C. Penney 4¼ 1987	87	45.37
Revlon 4¾ 1987	102	2.94
Sperry Rand 4¼ 1988	98	15.50
Squibb 4¼ 1987	83	30.96
Texaco 4¼ 1988	78	27.37
Union Carbide 4¾ 1982	123½	1.66
Warner Lambert 4¼ 1987	48¾	53.81
Xerox Corp 5 1988	78	82.10

DM = Deutschmark issue.
Source: Kidder, Peabody Securities, London.

[Enka] Glanzstoff plan

[...] Investeringsmij [...] take 60 per cent of [...B]elgian franc (£6.2m) [...] Enka Glanzstoff [...]n Fabelta NV sub-[...b]ehalf of the Belgian [...] while Akzo Belgie [...]e 40 per cent, if a rescue scheme is [...E]nka Glanzstoff said. [...]s Enka's solution to [...] of its Belgian unit, [...] partial shutdown [...c]ompany's plan to re-[...]nd return to profit. [...]any employs 2,200

[...] claims of Akzo on [...w]ould be converted [...] guaranteed by the [...]tate. Enka and [...]ld cooperate on re-[...] technical develop-[...] agreement will be [...t]o the Belgian Cabi-[...]uary 5.

[Ito-Yok]ado issue [of deposi]tory shares

[...]o Co Ltd proposes [...] through an inter-[...u]nderwriting syndicate [...m]anaged by Nomura [...] J. Henry Schroder [...]o and Robert Flem-[...] 250,000 depositary [...re]presenting 2,500,000 [...] common stock of [...] value each. The [...] shares, each repre-[...] shares of common [...] be evidenced by con-[...d]epositary receipts [...] CDRs will be avail-[...den]ominations evidenc-[...] or 100 depositary [...]

[...]s of issue are expec-[...]ed on February 10, [...d]epositary shares will [...] at a price in United [...]rs which will repre-[...am]ount on the closing [...] shares of common [...Ito]-Yokado quoted on [...] stock exchange on [...]

[...]s hotel stake

[Trust Hou]ses Forte has sold [...]cent stake in East [...]ls to Hong Kong [...fi]nancial details were [...]. The hotel group's [...]est is the Excelsior [...Hong K]ong. Through the [...] Kong Land has [...] take in East Point [...] cent. The rest is [...Ja]rdine Matheson (26 [...] City Hotels (10); [...Eas]t Asia (8); British [...] and Wardley (5).

Price rises in metals and 'softs' a feature of the January scene

Commodities

Although the world still awaits real evidence of industrial recovery, there were some signs in January of increased consumer demand for copper and tin from Europe and the United States.

Events in Zambia and the rise in demand for copper, particularly noticeable in West Germany, caused some firming in London, cash wire bars rising from £579 at the beginning of the month to £596 on the 15th and closing at £585.75 on Friday. The three-month position climbed from £599 on January 1 to £616 on the 15th and closed at £604.25 on Friday.

Continental demand and a rising Penang price, which went from $M959 on January 1 to $M982 on Friday, were reflected in London. Prices began to escalate last week. Cash put on more than £66 in four days, rising from £3,062 on Monday to £3,128.50 on Thursday. Friday's closing price was £3,132.50. Three months put on £50 from £3,133 on Monday to £3,183 on Thursday, closing at £3,192.50 on Friday.

In cocoa, last week saw a rise in the March position from £726.50 on Monday to £765.75 on Thursday, closing at £768.75 on Friday. May went from £704 on *Monday* to £745.25 on Thursday, *with Friday's close* at £749.50.

These rises have been mainly due to concern about West African crops. The market feels that with the consumption trend rising, if these crops are lower than expected, an anticipated surplus of only 24,000 tonnes of production over consumption could turn into a deficit.

Coffee failed to reach the £900 a tonne which had been predicted. But the spot January price rose from £789.50 on January 1 to £843.50 on the 14th and the March position which started at £798.50 touched £855.50 on the 19th. At Friday's close March was £840.50.

Some more advice for CIPEC

The debate about what the Council of Copper Exporting Countries should do to remedy their plight, in which Messrs Laishley and Laidlaw, of the World Development Movement, and Mr Philip Jevons, managing director of brokers Rudolf Wolff, have so far taken part, continues with a contribution from Mr C. L. Gilbert, lecturer in econometrics at the University of Bristol. He feels that Mr Jevons's views, published last week, "make the matter too complicated and that it may yet be feasible to give practical content to the laudable idealism of Messrs Laishley and Laidlaw".

Mr Gilbert says that an initial distinction should be made between schemes which act directly on the market through either spot or forward purchases and those that act indirectly through the limitation of exports. He points out that a combination of both is possible, as in the tin agreements.

"Now whatever the virtues of an indirect scheme, had it been introduced in the autumn of 1974, such a method of support would currently have to be on a massive scale if it were to make a sufficient dent in LME warehouse stocks to raise the price to acceptable levels. I would agree with Mr Jevons that neither the market coverage nor the composition of CIPEC is such that cutbacks on this scale may be considered likely.

"The other alternative would be for CIPEC to engage in open-market operations on the LME. It is true that a simple buffer stock scheme would be prohibitively expensive. If the object were to raise the price to near £1,000 per tonne—surely not an unreasonable level—at least 400,000 tonnes of metal would need to be purchased even if no additional supply were stimulated. This implies a considerable volume of finance.

"But an alternative method of operation is available and is even implicit in Mr Jevons's comments. If CIPEC were to purchase the entirety of the LME stockpile on the forward market and then near maturity lend the same tonnage back to the market, the operation could be financed in a more economical manner.

"Currently the contango is around £20 a tonne, so the cost of lending 500,000 tonnes is £10m per quarter. This order of cost is quite independent of any cutbacks CIPEC might simultaneously elect to make, or of the level at which the price is supported, although, of course, the higher the price supported, the greater the addition to the stockpile which needs to be carried.

"The major difficulty CIPEC would experience in attempting to support the market by forward purchases is that they would be liable to speculative raids attempting to test the depth of their pockets.

"If the price were supported at a fixed level, speculators would have a one-way option, rather like under the fixed exchange rate regime on the foreign exchange markets. This drawback could be partially overcome by raising the support price by the amount of the contango per quarter (or a little more than this).

"The effects of this would be three-fold: firstly a positive cost would be attached to speculation against the support price; secondly, there would be an incentive to speculators to work with the support operation and, thirdly, a measure of automatic indexation would be introduced to the support level.

"The difference in cost between a spot and a forward support operation depends on the ability of CIPEC to borrow. By adopting a forward operation, CIPEC would effectively be borrowing from the market rate of interest on the security of the stockpile valued at the support price.

"The CIPEC countries may find it difficult to better this rate of interest elsewhere. However, if it were possible to borrow from international agencies or from oil-producing countries at a soft rate, it would be cheaper to support via a traditional buffer stock operation. But perhaps the issues are more complex than this and I, also, require a lesson on 'the realities of the market place'."

Wallace Jackson
Commodities Editor

Merrill Lynch expands in commodities

Merrill Lynch and Co Inc, the world's biggest brokerage house, is expanding in the field of commodities trading. It has formed a subsidiary, Wood Markets Inc, which will buy and sell plywood, lumber and related forest products on a wholesale basis.

Along with wholesale buying and selling, Wood Markets has plans to offer forward pricing transactions to lumber and plywood producers as well as retailers and other wood-wholesale organizations.—Reuter.

DRESSER INDUSTRIES
Dallas.—Dresser Industries plans a public offering of 2m common shares through First Boston Corp. —Reuter.

Freight report

Shipowners suffered mixed fortunes last week, with gloom deepening in the dry cargo sector, but tanker trades rescued from further losses by a sudden surge in demand for very large cargo carriers.

Brokers had expected that Persian Gulf V.L.C.C. rates would tumble last week and there were visions of worldscale 17.5 ($2.83 a ton on European voyages) being seen once again. Instead, boosted by some interests from Exxon and other charterers, rates steadied at around worldscale 22 ($3.56).

Craig Howard

FINANCIAL NEWS AND MARKET REPORTS

English China in good trim for demand revival

Explaining the "not unsatisfactory" outcome of £16.6m against £19.1m last year, Lord Abercooway, chairman of English China Clays, explains that the full-time performance to September 30 was "appreciably better" than seemed likely at halfway.

He gives two main reasons. First, the demand for china clay, normally low in the holiday months of July and August, was better than envisaged, while the year finished with a good month of shipments.

Secondly, the weather in the late spring and summer was "abnormally good" and ideal for contractors. The opportunity which presented itself was then ably exploited, particularly by the quarries division, and also by the building side.

Meanwhile the liquid position of the group has been well maintained, and indeed improved. He foresaw no difficulty in financing expansion when times improved.

Generally, trading in the first half of the present term (usually announced late June) will be chiefly a "matter of marking time", but some progress should show up in the final stage. The real recovery in china clay demand, he adds, is not likely to manifest itself until 1977. Elsewhere the building side has a good order book.

Capital issues show increase in January

Figures compiled by the Midland Bank show the amount of "new money" raised in the United Kingdom through marketable securities last month rose from £53.4m to £60.2m. Last December the total stood at £107.8m, and the total for 1975 was £1,993m.

The Bank says there were 10 rights issues last month, which raised just over £49m. These included Trafalgar House Investments with £25.6m and Brooke Bond Liebig with £13.7m. A placing by Petbow Holdings for £1.7m and 18 local authority bond issues for a total of £9.4m, made up the balance.

Sampang rights result

The directors of Sampang (Java) Rubber Plantations announce that in respect of the recent rights issue of 2,920,000 shares of 2½p each at 2.75p per share, 1,014,224 shares provisionally allotted by way of rights were taken up, eleven excess applications for a total of 1,538,020 shares were received (including an application by Gadek Rubber Estate for 1,461,420 shares) and were allotted in full and the balance of 367,756 shares were taken up by Gadek in its capacity as underwriter of the issue.

Hestair still going strong

Over the worst in 1974-75, Hestair has good news for the year ending today. It includes word of a "substantial" increase over 1974-75's record £2.09m before tax (itself up from £1.53m) and would follow an interim 72 per cent advance to £1.18m.

Mr David Hargreaves, chairman, also told the extraordinary meeting of a big cut in borrowings and more large export orders (£2.25m in recent weeks). The shares put on 3p to 89p. The meeting was called to approve the immediate conversion of the £388,000 7½ per cent loan stock, 1981.

The chairman added that following the conversion the group will close the financial year with a much lower gearing compared with last year. Hestair is a specialist vehicle, agricultural engineering, toy and educational supplies and leisure group.

Stephen in the red

Heavy losses in shiprepairing sent Alexander Stephen, the Glasgow-based shiprepairer and engineer, into the red in the six months to November 30. The board says that draft figures reveal a loss of £102,000, compared with a profit of £70,000 the year before. The board says that shiprepairing has picked up since the turn of the year but practically no work was obtained in October and November. Heavy losses ensued.

Engineering presents a different picture. By the end of November it had achieved break-even point, with £2m worth of orders on its books. However, these will soon finish and the intake is still low.

Jardine in £3m bid

Jardine Matheson is bidding $HK30m (£3m) for the rest of the shares of Indochine Steam Navigation (HK). The company and its subsidiaries already own 53 per cent of the deferred shares and 99 per cent of the preference stock. The terms are $4, for every $1 deferred ordinary share and $1 cash for each 6 per cent preference share.

F Parker awaits second-half uplift

Though again in loss in the opening half year to September 30, Francis Parker, the building supplier and housebuilder, foresees much better results in the second-half than the corresponding period's slide into the red. The pre-tax loss for the latest half year comes to £119,000 against a profit of £347,000, and it is struck after interest of £1.33m (£1.28m). For the full year to March 31, 1975, the loss was £1.27m. There is no interim dividend against 0.75p gross.

Heals buys out Dunn

Heal & Son Holdings, the furniture group, confirms that it had bought the outstanding 50 per cent stake in fellow furniture concern H. G. Dunn, giving it full control. The holding is valued at £141,400, plus £63,000 nominal of a new 8½ per cent unsecured loan stock from Heal. For this no listing is sought.

Weekly list of fixed interest stocks

	Latest Price	Prev Week
Alb & Wilson 7¾ Deb 85-90	59⅝	59½
All Ply Hldgs 8½ Ln '92-97	49¾*	48½
All Brew 6½ Deb '87-92	52¼	52¾
Do 7½ Ln '93-98	57⅞	56
Ass Bis 7¾ Deb '90-95	59⅞	55
AB Foods 6½ Ln '87-2002	19⅞p*	20p
Assoc Elec 6 Deb '78-83	68⅞	66½
Do 6½ Deb '86-91	54¼	54¼
AP Cement 7 Deb '88-93	56⅞	56⅞
Do 9 Deb '92-97	67⅞	68
BICC 7¾ Deb '90-95	55⅞	58
BOC Int 5½ Deb '81-85	60½	59
Do Tonnage 9 '88	73⅞	71⅞
Bank of Ireland 7 Ln '86-91	54	54⅞
Barclays Bk 8¼ '86-93	62¼	63
Barclays Int 7½ Ln '86-91	56¾*	60¼
Bass Char 3½ Ln '87-92	33	33
Do 7¾ Ln '92-97	57⅞	56
Do 8¼ Deb '87-92	65¼	65⅞
Beecham 6 Ln '78-83	65½	64⅞
Do 8½ Ln '84-94	62	62
Bibby 10¾ Deb '94-99	68	68
Birmid Qual 7½ Ln '87-92	55⅞	55½
Boots 6 Ln '78-83	64	64⅞
Do 7¾ '88-93	59	58¼
Britoil 8 Deb '88-93	55½	55⅞
Brit Am Tob 7 Ln '82-87	67⅞	67⅞
Brit Leyland 6 '98-2003	27⅞*	24⅞*
Do 7½ Ln '87-92	34*	31⅞*
Do 8 Ln '98-2003	36⅞*	35*
Brit Petrol 6 Deb '74-78	85⅞	85
Do 6 Deb '76-80	78	77
Brit Shoes 7 '80-82	75	74
Brooke Bond 5½ Ln 2003-08	34¼	33⅞
Burmah Oil 4½ Deb '88-81	62*	62*
Do 8¼ Ln '91-96	39¼*	38*
Do 7½ Ln '81-86	40	40¼
Burton Go 9¼ Ln '92-2003	64⅞	64⅞
Cadbury Schweppes 6¼ Ln '94-2004	58⅞	55
Do 9 '88-93	67¼	66
Coats Patons 4½ Ln 2002-07	31⅞	31½
Do 7½ '90-95	54¼	52¼
C'rage 6⅞ Ln 2004-09	42	43⅞
Do 8 2nd Deb '89-94	58⅞	53⅞
Courtaulds 6¼ Ln '91-96	50	47¼
Do 7 '82-87	63½	62⅞*
Do 7¾ Deb '89-94	60¼	59
Debenhams 6¼ 2nd Deb	50	48
Do 6½ Ln '86-91	53	52½
Do 7¾ Ln 2002-07	49½	50¼*
Distillers 7¼ Ln '88-93	55	54⅞
Dunlop 6¼ 2nd Deb '85-90	56½	55⅞
EMI 7 Ln '87-92	54½	53
English Elec 6 Deb '80-85	64⅞	64⅞
Esso 6 Deb '77-80	75	74⅞
Fisons 6¼ 2nd Deb '84-89	53¼	53½
Gallaher 6 Ln '83-88	60⅞	59⅞
Gen Acc 7¼ '92-97	56½	56½
GEC 7½ Ln 88-93	62	59½
Glaxo 7¾ Ln '86-90	274p	260
Glynwed 10¼ Ln '94-99	71½	72⅞
GUS 6¼ Ln	32	31
Do 7½ Ln '83-88	64	64
Do 8¼ Ln '93-98	59¼	57⅞
Hawker Sid 7¼ Deb '87-92	59	58
ICI 6½ Ln '94-2004	39½*	38⅞*
Do 7¼ Ln '86-91	55	55¼
Do 8 '88-93	60	57
Imperial Gp 4 Ln '75-80	70½	68⅞
Do 7¾ 2004-09	62¼	62⅞
Do 10½ Ln '90-95	75¼	73¼
Initial Services 8 Ln '88-93	54¼	54⅞
Int Stores 7½ Ln 2003-08	84⅛	84⅛
Land Secs 8½ 1992-97	61¼	60
Laporte 10¼ Deb '94-99	74¼*	74⅞
Lewis's Inv Tst 6½ 2nd 86-90	53⅝	53⅝
Lucas J. 7¾ Ln '83-88	60¼*	61⅞
MEPC 8 Ln 2000-05	49⅞	50
Metal Box 10½ Ln '92-97	75¼	76⅞
Midland Bank 10¼ Ln '93-98	77½	75
Nat West Bank 9 Ln 1993	69	67¼
Ranks Hovis 6½ Ln '76-81	71	70½
Do 6¾ Ln '85-88	65¼	56
Do 8¾ Ln '91-95	62¼	60*
Reckitt & Col 6¼ Deb '85-90	53⅞	53⅞
Reed Int 7¾ Deb '90-95	55¾	55⅞*
Renold 7⅞ Ln '92-97	53*	53
Reyrolle Parsons 7½ Ln '88-93	57	57
Rugby Port Cem 6 '93-98	43½	43
Do 7¼ Ln '93-98	53	53
Sainsbury (J.) 7⅞ Deb '87-92	57*	58½
Scot Newcastle 4¼ Deb '71-76	96½	96½
Do 7⅞ Deb '89-94	60¼	59½
Slater Walker 9 Ln '91-96	64	54
Slough Est 7½ Deb '85-90	58*	58⅞*
Smith (W. H.) 5⅞ Ln	31½	31⅞
Spillers 7 Deb '78-83	74½	74
Do 7¼ Deb '84-89	61⅞	61¼
Tate & Lyle 7⅞ Deb '89-94	59	57
Thomson Org 5 Deb '84-94	42¼	41
Do 7⅞ Ln '87-92	52¼	52¼
Tilling (T) 8½ Ln '89-94	62½	62⅞
Tootal 4¼ Perp Deb	29½	29½
Do 6¼ '85-90	58⅞	58
Truman Ltd 7⅞ Deb '88-93	57¾	54⅞
Do 10⅞ Deb '91-96	76⅞	76⅞
Tube Invest 9 Ln '89-94	59	59
Turner & Newall 8 Ln '87-92	57	57
UDS 7⅞ Deb '85-90	53⅞	53⅞
Do 10⅞ Deb '89-94	77¼	70
Unigate 6½ Ln '91-96	40⅞	40⅞
Do 7½ Deb '88-93	61	61
[illegible]	[illegible]	[illegible]
Watneys 7½ Ln '91-96	51	51
Do 8 Ln '00-05	60⅞	57½
Whitbread 7½ Ln '95-99	52¼	51½
Do 7½ Ln '96-2000	55	55
CONVERTIBLES		
Allwest 8 '89-94	87	87
All Foods 7½ '94-2004	156	156
BPB 7¼ '89-94	109	107½
Bowring, C. T., 5 1981	97	97
Brittains 10½ '91-96	89½	87½
Brooke Bond 7 2003-08	40½	38½
GUS 7½ '97-02	150	146
Grand Met 10 '91-96	103	100½
Guest Keen 6¼ 1985	85	83½
Hepworth Ceramic 11 1976	95	95
Ind and Gen 4½ '91-96	93	92
Lucas, J., 6¼ 1990	91⅞*	88
MEPC 5 '90-94	86	85
Midland Bank 7½ '83-93	87	87½
Ready Mixed 8½ 1978	97½	92
Ramsey Tel 4¼ '73-98	82½	82
Stock Conv 5½ 1993	120	117
Temple Bar 3½ '85-90	81	81
Trust Hse Forte 5¼ '81	105	101

* Ex dividend.

More share prices

The following will be added to The London and Regional Share Price List tomorrow and will be published daily in Business News:

Breweries & Distilleries

Bulmer H.P. Ltd.

Unit Trust Prices—change on the week

FT Index change on week 417.4 +4.4 (4.4%)

Prev W'end Offer	Ch'ge on Week	Trust	Bid	Current Offer	Yield
		Authorised Unit Trusts			
		Abacus Arbuthnot Ltd, Barnett Hse, Fountain St, Man 2. 061-236 9773			
33.8	+1.3	Giants	32.0	35.1e	3.48
36.9	+1.4	Do Accum	35.8	38.3e	3.40
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

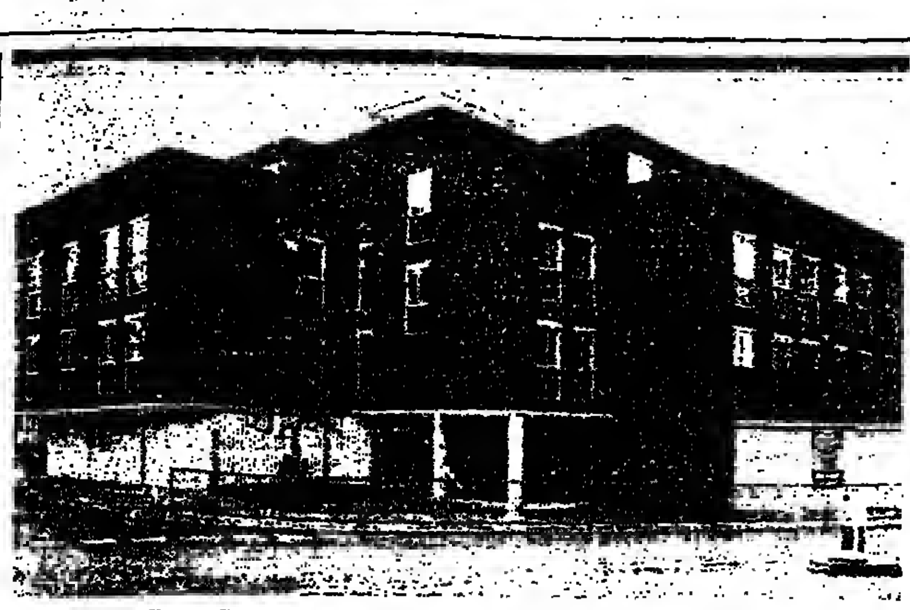
Bank Base Rates

Barclays Bank	10%
First London Secs	10%
C. Hoare & Co. ..	*10½%
Lloyds Bank	10%
Midland Bank	10%
Nat Westminster ..	10%
Rossminster Acc's	10%
Shenley Trust	12½%
Williams & Glyn's	10%

* 7-day deposits on sums of £10,000 and under, 6½%, up to £25,000, 7¼%, over £25,000, 7¾%.

Commercial and Business market

Commercial and Business market



A block of offices, showrooms, and flats in Twickenham bought by the United Kingdom Civil Service Benefit Society for £650,000.

The first signs of a return of confidence in the office letting market in both the West End of London and the suburbs comes from Jones Lang Wootton, the agents, who say that during the past three months there has been a noticeable improvement in demand.

There are clear indications, they say, that rents have bottomed out, and during that time, the company reports, it has either let or had leases drawn up for more than 450,000 sq ft. More significant, they say, is a big increase in the volume of inquiries for space in the West End, especially from companies requiring upwards of 25,000 sq ft.

The demand is almost entirely for well located and good quality buildings. There is still little interest or movement in secondary or poor space, especially in small units. There is no clear pattern in the type of company or organization taking up the space, they say, although the oil industry and overseas companies wishing to expand are in evidence.

In the suburbs the picture is similar. The agents report a whole string of lettings which have either taken place or are about to be concluded in the traditional suburban office areas. Rents, too, have stopped their downward trend.

In addition to the increasing institutional demand for good property investments I noted last week, there is also a subsidiary but lively market in buildings for owner occupation, according to Connells. The latest indication of that trend, they say, is the fact that the United Kingdom Civil Service Benefit Society has paid £650,000 for the new office, showroom and residential development by Westminster and Country Properties (King Street), Ltd, in Heath Road, Twickenham.

The development is jointly owned by Westminster and Country and United Dominion Trust Co. The bulk of the building consists of 7,250 sq ft of offices and 3,900 sq ft of showrooms, part of which will be occupied by the St Martins-le-Grand Building Society, an associated organization of the UK Civil Service Benefit Society. Connells's commercial division introduced the purchasers, D. E. and J. Levy acted for Westminster and Country, and Elliott Son and Boyton for the society.

In the industrial field, an

Property

Confidence returning for letting

Interesting announcement is that Electricity Supply Nominees, Ltd, is to undertake the direct development of a mixed industrial estate for manufacturing and warehouse use at Cumberland Avenue, Park Royal, London. The site was acquired through Richard Ellis, and work has started. It contains a single factory of 9,000 sq ft, which is to be reconstructed, and a further five new units are to be erected, providing a total of 61,000 sq ft of space.

The first three units will be available in June, and the rest are due for completion in September. Designed by Lister Drew and Associates, the scheme is designed to meet the demand for top-class small units in the area. Rents will be about £2 a sq ft for both factory and warehouse units. Letting is through Richard Ellis.

Construction is also in progress on the Sturry Industrial Estate, Canterbury, where a scheme is being carried out by Marshwood Developments. The seven-acre site is about a mile from the centre of the city. Plans provide for six new single-storey warehouse units, including office space, ranging in size from 10,000 to 140,000 sq ft. The first will be available shortly. Rent is in the region of £1.50 a sq ft and letting is through Leavers, of London.

Also in Kent, Bowaters Properties has just completed a large industrial and warehouse estate in Sittingbourne, adjoining the Bowater paper mills at the junction of Church Street and Milton Road. About 60,000 sq ft has been constructed, designed to allow potential tenants flexibility of choice. There are five terraced units in sizes from 7,500 to 17,500 sq ft, giving a choice of any combination from 7,500 to 60,000 sq ft. Ancillary offices are also provided. Rents are from £1 a sq ft and letting is through Jones Lang Wootton.

A large development in London now available is a mixed scheme by Chapel Land Co on the corner of Victoria Road and Bethune Road, North Acton, adjacent to the Underground station. The site was owned by Lowe and Brydone (Printers), Ltd, and was acquired by the developers in 1972. They have demolished the old building and constructed one of 108,680 sq ft, almost equally split between a single-storey warehouse of 58,200 sq ft and an office block of 50,480 sq ft on five floors, two of them being used for car parking.

The scheme has been funded by the Airways Pension Fund. An initial rent of £150,000 a year is being asked, rising later to £170,000 a year. Letting is through Collier and Madge and D. E. and J. Levy.

The London Life Association, Ltd, has announced a large letting on its industrial estate at Battle Farm, Reading. International Computers have agreed to lease 22,800 sq ft of warehousing, with 7,450 sq ft of ancillary offices, at a rent of £55,000 a year. The letting accounts for more than half of the total development. The remaining industrial and warehouse units, totalling 23,500 sq ft, are available in areas of 5,000 sq ft upwards.

The letting was arranged for London Life by Fuller, Horsey Sons and Cassell in association with Nicholas, of Reading. Leslie Furness, of London, acted for International Computers.

Hitchin Industrial Estates, one of the Hunting Gate Group of Companies, in partnership with the Test Valley District Council, are to build a new factory and offices for the British Oxygen Co on the Walworth Industrial Estate, Andover. The site covers about seven acres and the development is to be carried out in three phases, the first being about 51,000 sq ft. The whole scheme will eventually provide more than 120,000 sq ft.

Hunting Gate Construction has started work on the site and the investment has been presold to institutional clients of Allsop and Co. Alfred Pearson and Co introduced the tenants and Hunting Gate's estates division acted for Hitchin Industrial Estates.

Gerald Ely

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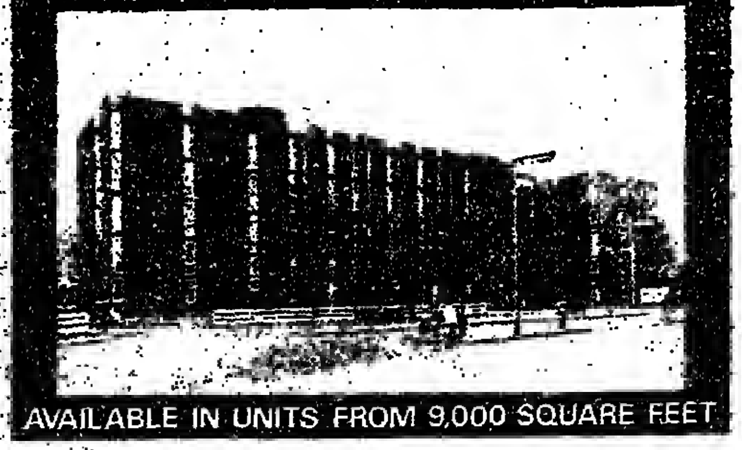

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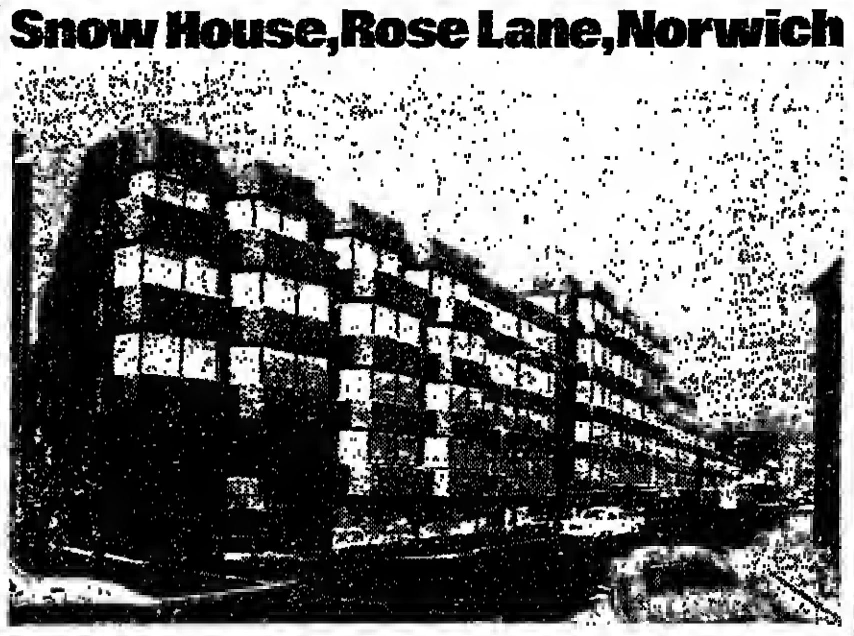

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43 Exchange Street Norwich NR2 1DJ. Tel 29971 (7 lines)
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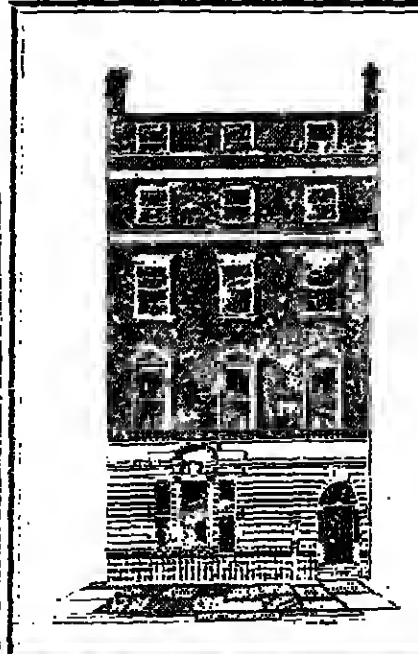

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Local Government, Public & Educational Appointments

KUWAIT
UNIVERSITY OF KUWAIT
FACULTY OF MEDICINE

Applications are invited for the following foundation posts in the Faculty of Medicine which is opening in September 1976 with an intake of 40 pre-medical students. Pre-clinical teaching will commence in September 1978. Until the completion of a 600-bed University Hospital and Medical School complex in 1980, the Medical School will be housed in temporary accommodation fully equipped with research and teaching facilities. Instruction will be in English.

Successful applicants will be involved in the planning and development of the curriculum and assessment system, and in the establishment of scientific research programmes. All these posts are tenable from the 1st of September, 1976 onwards.

Biochemistry	Professors or Assistant Professors or Lecturers 2 posts
Community Health and Behavioural Science	Professors or Assistant Professors or Lecturers 3 posts
Human Morphology and Experimental Pathology	Professors or Assistant Professors or Lecturers 5 posts
Microbiology	Professors or Assistant Professors or Lecturers 2 posts
Pharmacology	Professors or Assistant Professors or Lecturers 3 posts
Physiology	Professors or Assistant Professors or Lecturers 2 posts

General Conditions for Appointment

Qualifications

All applicants must possess a Ph.D. degree or an equivalent qualification and have conducted and published research in his or her field. Professors should have 14 years' experience, 4 as an Assistant Professor or its equivalent, i.e. Senior Lecturer or Reader. Assistant Professors should have 9 years' experience, 4 as a Lecturer. Lecturers should have 4 years' experience.

CONTRACTS: TWO TO FOUR YEARS, RENEWABLE CONTRACTS ARE NEGOTIABLE.

Salary Scales (monthly in Kuwaiti Dinars): 1 KD=£1.60 approx.

Professors	—	360-420 (6 increments) and an additional 60% of salary as a professional allowance. (70% of basic salary if there is a clinical commitment.)
Assistant Professors	—	300-360 (4 increments) and an additional 40% of salary as a professional allowance. (60% of basic salary if there is a clinical commitment.)
Lecturers	—	240-300 (4 increments) and an additional 40% of salary as a professional allowance. (60% of basic salary if there is a clinical commitment.)

In addition, there is a monthly car allowance of 30 KD for Professors and Assistant Professors and 25 KD for Lecturers. There is also an inflation allowance of 72 KD for all grades of academic staff.

Gratuity and Pension

There is a gratuity of one month's basic salary for each year employed payable on termination of contract. A proposal for a pension scheme is under consideration.

Housing

Suitably furnished, air-conditioned accommodation, electricity and water are provided free of charge.

Medical Care

Free comprehensive treatment is available under the State Health Service.

Travel

Airline tickets are provided from the country of recruitment for the appointee, his wife and up to 3 dependant children under 20 years. Thereafter return tickets are issued annually to the country of origin. On termination of the contract tickets are provided to the country of recruitment. A baggage and freight allowance is also provided. In addition there is a travel allowance for attending up to 2 scientific meetings a year.

Vacation

Two months paid annual leave as well as various religious and government holidays. For non-clinical staff there is in addition 2 weeks mid year leave.

Education

This is provided free in State Schools where the instruction is in Arabic. Staff who have to send their children to non-Arabic schools in Kuwait will have the cost met by the University.

Taxation

There is no income tax in Kuwait. Currency is freely transferable without restrictions.

Further details can be obtained from the Dean, Faculty of Medicine, Kuwait University, P.O. Box No. 5969, Kuwait, who should receive completed applications naming 3 referees, together with detailed curriculum vitae, no later than 22nd March, 1976. Information about Kuwait can be obtained from the Kuwait Embassy, Cultural Attaché's Office, 5 Stratford Place, London W1N 9AE. Tel. 01-629 6855.

The Professional Association of Teachers invites applications for the post of

CHIEF EXECUTIVE

P.A.T. is an association of 10,000 qualified teachers in all types of Colleges and Schools throughout the United Kingdom and is both a trade union and a Professional Association protecting and helping members in the performance of their duties. The Association has achieved a satisfying degree of recognition at national level and is fully involved in all educational matters.

P.A.T. members feel that teachers need to act professionally in all matters including negotiations on salaries and conditions of service and they have agreed never to use the strike weapon. The Association has pressed for a General Teachers' Council since it believes that an industrial attitude on the part of teachers to be both unethical and inappropriate.

P.A.T. has expanded rapidly during the five years of its existence to 10,000 members and has over 70 branches throughout the United Kingdom and a Headquarters in Derby. It is managed by an elected Council which now feels that a stage has been reached where a chief executive should be appointed whose main function will be:
To be directly responsible to the Council for the implementation of their decisions, to advise on future development, to have general oversight of the running of the Association and of its paid employees.

The person appointed will have had several successful years of teaching experience and have shown evidence of considerable administrative ability, and will be able and willing to act on behalf of and represent the officers of the Association when required.

The post will be permanent and pensionable. Salary negotiable but in the region of £4,500 to £5,500 and thereafter tied to the Burnham salary scales.

Applications to the Secretary, P.A.T., 24 The Strand, Derby DE1 1BE.

The applications should be by letter and include a curriculum vitae, and the names, addresses and telephone numbers of two referees, and should arrive not later than first post on Monday, 16th February, 1976.

UNIVERSITY OF LONDON

Careers Advisory Service

DEPUTY INFORMATION OFFICER

The Central Office of the University of London Careers Advisory Service has a vacancy for a Deputy Information Officer, with special responsibility for the operation of the Reference Library. Applicants should be qualified librarians or information scientists, preferably with two to three years' experience in related fields. The work is varied and interesting and involves working with both students and graduates of the University as well as close liaison with all members of the professional careers advisory staff. Salary on scale £2,700 to £3,265, including London Weighting.

Further particulars and application forms are available from Patricia Barrett, University of London, Senate House, Malet Street, London WC1E 7HU, Telephone 01-636 8000 Ext. 129. Closing date for applications is 20 February, 1976.

UNIVERSITY OF LONDON

WARDEN, COLLEGE HALL

Applications are invited from graduates with managerial experience, ideally institutional management and/or financial administration in an educational environment, for the post of Warden of College Hall, which falls vacant on 1 September, 1976.

The Hall is situated in Malet Street, WC1, and has accommodation for 223 women students. The post requires residence in the Hall and a self-contained two-bedroomed flat is provided.

Starting salary according to experience and qualification on scale £5,073-£6,581 per annum plus £399 London Allowance plus board and residence. Six weeks' annual leave and superannuation.

Further particulars and application forms available from the Personnel Officer, (T) University of London, Senate House, Malet Street, London WC1E 7HU. Telephone 01-636 8000 Ext 129. Closing date for applications is 20 February, 1976.

DELEGACY OF LOCAL EXAMINATIONS, OXFORD

Appointment of an

Assistant Secretary

and of an

Assistant to the Secretaries

The Delegates intend to appoint an Assistant Secretary and an Assistant to the Secretaries, to begin work on 1 September, 1976. The duties of both will consist mainly of work in the areas of Geography, Economics and Social Studies, but assistance with other subjects and some administrative work will also be required. For both appointments, applicants must have appropriate graduate qualifications; teaching experience is desirable.

ASSISTANT SECRETARY: Applications must be at least 28 years of age. Initial salary is fixed according to age and experience on a scale which, at present, runs from £3,378, rising by annual increments to a maximum of £6,878.

ASSISTANT TO THE SECRETARIES: Applicants must be of least 24 years of age. Initial salary is fixed according to age and experience on a scale which, at present, runs from £2,766 and rises by annual increments to a maximum of £5,010.

Graduate staff are required to belong to the appropriate superannuation scheme in operation in the University.

Further particulars, and forms of application, to be returned by Friday, 5 March, 1976, may be obtained from the Secretary of Local Examinations, Ewert Place, Summertown, Oxford, OX2 7BZ.

THE MARLBOROUGH SECRETARIAL COLLEGE—OXFORD

Due to the retirement of Mrs. V. R. M. Rodston, a new Principal is to be appointed effectively from September 1976 to work in parallel from June 1976.

Applicants should have some experience of and interest in skills-teaching, commerce and educational administration.

Applications should be made to:
The Executive Principal
PITMANS COLLEGES
154 Southampton Road, London WC1B 5AX

London School of Hygiene and Tropical Medicine
(University of London)
Keppel Street, WC1E 7HT

DEPARTMENT OF MICROBIOLOGY

RESEARCH FELLOW

required to join an active group investigating the nature and immunochemistry of hepatitis viral antigens. Applicants should be in possession of a higher degree in biochemistry or related discipline. Previous experience of virological procedures desirable but not essential. Starting salary in the range £3,766 to £5,418 p.a., according to age and experience, plus £399 London Weighting. Curricula vitae should be sent as soon as possible to the Secretary (A1).

Haberdashers' Aske's School for Girls

Aldenham Road, Elstree, Hertfordshire
(800 girls. Direct Grant Day School, becoming independent)

BURSAR

Required in September 1976 on retirement of present holder, non-resident Bursar to be responsible to the Headmistress for the financial and domestic management of the school. Own transport essential. Salary according to qualifications and experience. Further details obtainable from the Headmistress.

Applications with curriculum vitae, testimonials and names of 3 referees should be sent to the Headmistress.

ST. GEORGE'S CHAPEL, WINDSOR CASTLE
offers appointment to

TENOR CHORAL SCHOLAR

In September, 1976. Bursary available and free accommodation for bachelor. Apply: Chapter Office, The Cloisters, Windsor Castle, Berkshire, SL4 1NJ, telephone Windsor 66538. Closing date for applications 8 March, 1976.

YOUNG EXPERIENCED EFL Teachers or Graduates required Madrid 1st Feb. to 30 June, 1976. Phone Mrs. Snow, 01-946 2891.

NORTHERN ITALY.—Applications are invited for E.F.L. teaching posts which will be vacant in October. Interviews in London in April. Please send C.V. and telephone number to Box 2350 S, The Times.

COUNCIL FOR NATIONAL ACADEMIC AWARDS

ADMINISTRATIVE ASSISTANT (CONFERMENTS)

A successor is urgently sought for the Head of the Conferments Unit to be responsible for a busy office dealing with the processing of the Council's awards.

Applicants should be preferably graduates following a career in educational administration who have already obtained relevant experience in an institution of higher education.

The salary on appointment will be within the scale £3,630-£5,382.

Further particulars and application details are available from The Secretary,

COUNCIL FOR NATIONAL ACADEMIC AWARDS,
344/354 Gray's Inn Road, London WC1X 8BP.
Closing date, Monday, 23rd February, 1976.

NATIONAL ASSOCIATION OF CITIZENS' ADVICE BUREAUX

ASSISTANT IN PRESS & PUBLICITY OFFICE

An assistant is needed in our busy Press and Publicity Office to take over the general administrative tasks of the Office and to help with all aspects of its work, including contact with national press, TV and radio, guidance to local Citizens' Advice Bureaux on publicity matters, and the development of promotional material and a visual aids programme. The assistant would also have special responsibility for the production of the service's quarterly newsletter of news and views. Journalistic or public relations experience would be an advantage, but energy, initiative and organising ability are essential.

Salary scale £2,068-£3,009 p.a. plus £135 London Weighting: starting point according to age and experience. Four weeks' annual leave: superannuation scheme. Further details and application form from the Administrator, National Council of Social Service, 26 Bedford Square, London WC1B 3HU. 01-636 4066. Or contact Linda Jackman, Press & Publicity Officer, if you would like to talk about the job. Closing date 13 February, 1976.

UNIVERSITY OF LONDON KING'S COLLEGE

Television Unit

TELEVISION MANAGER

A Manager (male or female) is required for the College Television Unit. There is a five-channel mobile unit which mainly works for the Faculty of Education in schools both in and out of London. A service to the College at large is provided and a small studio is now being equipped. The Television Unit is staffed by the Manager and one technician and has been operational since 1968.

The Manager must be competent to undertake the operation and technical maintenance of the mobile unit and the studio, and will also be required to take some administrative initiative and production responsibilities. Applicants should have had good technical experience in CCTV or broadcasting systems.

The appointment will be on Grade 1A of the academic-related salary scale £2,766 x £204-£5,418 plus London Allowance £399.

For further details and application forms, write to: G. A. Cuthbert Esq. King's College London, Strand, WC2R 2LS.

Appointments Vacant

GENERAL VACANCIES

We are looking for a
YOUNG COPYWRITER

with some experience to write sales promotion and advertising copy for a wide range of general books, both hardback and paperback. As well as contributing his or her writing talents in our lively publicity department, the successful applicant will be involved in the planning and administration of promotion campaigns.

This will be a Grade 3 appointment with an initial salary of not less than £2,500 in accordance with an N.U.J. house agreement.

Please write to:
Publicity Manager,
Hutchinson Publishing Co.,
3 Fitzroy Square,
London, W.1.

Strong able-bodied
YOUNG TRAINEE
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LONDON WINE SHIPPERS IN FULHAM
Driving licence essential, salary negotiable.
Please telephone 731 5201 during office hours for appointment.

DENTAL REPRESENTATIVES

required by well-known Company to cover West Midlands, East Midlands and East Anglia. Applicants should have both experience and a connection with dentists in these areas. These are rewarding appointments to energetic people. Usual fringe benefits. Apply for interview, giving the relevant personal details, to Box 2415 S, The Times.

DENTAL DEPOT MANAGER

Required for a well-established and progressive company. Applicants should have experience in all departments of a Dental Depot. This will be a rewarding appointment to an energetic person (male or female) with first-class personality.

Apply Box 2512 S, The Times.

PROPERTY NEGOTIATOR

Early 20's, required for dynamic estate agency in Fulham. Energy and drive essential. Experience an advantage. Excellent prospects, good salary, commission and car allowance. Mr. Moran, Fulham Road, S.W.6. 01-731 4177.

TRANSLATOR (22-30) German mother tongue, with excellent English, for international firm, London. Salary up to £3,700 for bilingual candidate with relevant technical experience. Further details from Multilingual Services, Charing Cross Road, W.C.2. Tel. 01-836 3794.

GOOD HOUSEKEEPING wants an experienced sub-editor; knowledge of magazine work desirable. Will ... good typing and ... Write with C.V. to Beatrice Flower, National Magazine Company, Chestergate House, Vauxhall Bridge Road, London SW1V 1HF.

TRANSLATORS REQUIRED. Only experienced professional translators with either French, German or Dutch as their mother tongue will be considered. Telephone 01-242 2081 or write to Box 2243 S, The Times.

SKI CLUB IN SCOTLAND requires immediately General Manager. Management experience is essential and a knowledge of the Ski/Travel business an advantage. Ring Peter Kilb, 940 7762.

GOOD SKIERS REQUIRED to instruct in Scotland from Feb. 14th-29th & April 2nd-15th. Weekend Ski Club. 01-940 7762.

TECHNICAL SENIOR Translator (German mother tongue) experienced in similar field. 30-45. £4,700. Language Staff. 734 8562.

BUTLER AT LUNCHTIME in a City company boardroom. A well paid appointment for the professional person of experience. Reference essential. Box 2315 S, The Times.

GENERAL VACANCIES

GEOPHYSICISTS

Hunting Surveys has vacancies for Geophysicists with experience of Marine Surveys for Engineering Site Investigations.

Candidates should be able to show evidence of the ability to manage field parties and have up to 5 years sound practical knowledge of marine investigations using seismic profilers, side scan sonar and other techniques, interpretation of data and preparation of reports.

The successful applicants will be expected to serve either in U.K. or overseas, overseas service will normally be on an unaccompanied basis.

APPLY TO:
The Personnel Manager
HUNTING SURVEYS & CONSULTANTS LTD.
Elstree Way, Borehamwood, Herts. WD6 1SB.

LEGAL APPOINTMENTS

EXPERIENCED BARRISTERS REQUIRED
for newly formed chambers
Apply D. E. J. Davies, O.B.E.
HEAD OF CHAMBERS,
33 Park Place, Cardiff.
Tel.: Cardiff 34730.

ALANGATE Legal Staff, The specialist consultants to the profession offer a confidential service to employers and staff at all levels. Telephone for appointment or write to Mrs Holors, Mrs Harkness or Mr Gates, 01-405 7201, at 6 Great Queen St., London WC2 (off Kingsway).

ALANGATE Business Transfer Dept., a country-wide service specialising in negotiations, sales and purchases of legal practices and mergers. Address all inquiries to Mr. W. Kent, Alangate Agency, 6 Great Queen St., London, W.C.2, or tel. 01-405 7201, ext. 25.

LONDON LEGAL BUREAU. Specialists in the legal profession. Central London and rural vacancy list available on request. No fees to applicants. Ring 278 6897.

ACCOUNTANCY

OPENINGS at all levels in the Profession.—Gabriel Duffy Consultancy, Kensington, 01-937 9221.

ACCOUNTANCY PLACEMENTS need good qualified and partly qualified Temps: £2 to £3 p.h. also qualified permanent staff always in demand. 01-637 8381.

SALES AND MARKETING

MARKETING AND PROMOTION Manager. Fast expanding London based Middle East publishing house currently producing 2 subscription journals, leaders in their field, and related reference works, requires enthusiastic forward-looking individual to develop sales of the 2 journals and other publications. Previous circulation experience necessary; knowledge of Arab States useful. Salary negotiable, prospects excellent. Apply General Manager, Middle East Economic Digest Ltd., 84-86 Chancery Lane, London, W.C.2.

UNIVERSITY APPOINTMENTS

University of Cambridge

PLANT ECOLOGY AND PHYSIOLOGY

Applications invited for University Demonstratorship in the Department of Applied Biology. Candidates should have interests in population, production and applied ecology and whole plant physiology, a good honours degree in an appropriate subject and preferably some teaching and research experience. Salary in scale £3,378 to £4,194. Starting point according to age. Pensionable under U.S.S. Limited contribution to removal expenses. Further particulars should be obtained from and applications (three copies) including full personal particulars, list of publications and names and addresses of not more than three referees sent to the Secretary, Appointments Committee of the Faculty of Biology "A", Applied Biology Department, Pembroke Street, Cambridge, not later than 6 March 1976.

UNIVERSITY APPOINTMENTS

University of Cape Coast—Ghana

Applications are invited from suitably qualified persons for the following posts:

A. DEPARTMENT OF CURRICULUM STUDIES:
1. Lecturer in Economics Methods.
2. Lecturer in History Methods.
3. Lecturer in Geography Methods.
4. Lecturer in Religious Studies Methods.

B. DEPARTMENT OF BOTANY:
Senior Lecturer/Lecturer/Assistant Lecturer in Biostatistics.

C. CENTRE FOR DEVELOPMENT STUDIES:
1. Regional Development Planner (Research Fellow).
2. Physical Planner (Junior Research Associate).
3. Research Methodologist/Statistician (Research Fellow).

D. DEPARTMENT OF GEOGRAPHY:
1. Lecturer in Biogeography.
2. Lecturer in Settlement Geography.
3. Lecturer in Cartography and Surveying.

E. DEPARTMENT OF HISTORY:
Lecturer in American History.

F. DEPARTMENT OF RELIGIOUS STUDIES:
1. Lecturer in New Testament/Old Testament.
2. Lecturer in Religious/Ethics.
3. Lecturer in Contemporary Theology.

G. DEPARTMENT OF FRENCH:
Professor of French.

H. DEPARTMENT OF CLASSICS:
1. Professor/Associate Professor (Head of Department).
2. Lecturer/Assistant Lecturer (Ancient History, Philosophy or Literature).

I. DEPARTMENT OF SOCIOLOGY:
Senior Lecturer/Lecturer (Social Psychology or Social Anthropology or Sociology of Religion, etc.).

J. DEPARTMENT OF ECONOMICS:
1. Professor/Associate Professor.
2. Senior Lecturer (Econometrics Theory and Mathematics).
3. Senior Lecturer (Accounting).
4. Lecturer (Secretarial Practice).
5. Lecturer (Accounting).
6. Lecturer (Economics) Mathematics Economics/Econometrics.
7. Lecturer (Government).
8. Assistant Research Fellows.

K. DEPARTMENT OF CHEMISTRY:
1. Lecturers in Physical Chemistry.
2. Lecturer in Inorganic Chemistry.
3. Lecturer in Organic Chemistry.

L. DEPARTMENT OF ZOOLOGY:
1. Lecturer in Marine Biology and Fisheries.
2. Lecturer in Parasitology.
3. Lecturer in Mammalogy and Wildlife Management.
4. Demonstrators.

M. SCHOOL OF AGRICULTURE:
1. Lecturer in Soil Science.
2. Lecturer in Crop Science.

N. INSTITUTE OF EDUCATION:
1. Lecturer in Mathematics Education.
2. Lecturer in Language Arts.
3. Lecturer in Home Science Education.
4. Lecturer in Science Education.
5. Lecturer in Elementary Education.

SALARY SCALES:

Professor: C10,104.00 per annum.
Associate Professor: C9,348.00 per annum.
Senior Lecturer: C7,100 by 200 to C8,700 per annum.
Lecturer/Research Fellow: C4,900 by 200 to C6,100.00; C6,300 by 200 to C7,700.00.
Asst. Lecturer/Asst. Research Fellow: C4,000.00 by 150 to C4,750 p.a.
Junior Research Associate/Demonstrator: C3,200 by 120 to C3,320.00 per annum.
Research Assistant Grade 1: C2,100 by 80 to C2,820.00 per annum. (At current rates of exchange £1 equals C2.33.)

Other benefits include education allowance for children, car maintenance allowance, subsidised accommodation and in certain cases tax free British supplement in range £792-£3,042 depending on grade and marital status.

Application forms are obtainable from the Overseas Representative, Universities of Ghana Office, 15 Gordon Square, London WC1H 0AG, to whom completed forms (7 copies) specifying the type of appointment desired should be returned not later than 28th February, 1976.

Imperial College of Science and Technology

DEPARTMENT OF MATHEMATICS

LECTURESHIP IN STATISTICS

A lectureship in statistics is vacant at a salary on the scale £3,174-£6,446 plus London Allowance of £399 per annum. It is likely that the appointment will be made towards the bottom of the scale. The appointment will be from 1 October, 1976 (or by mutual arrangement).

Candidates should have a research interest in one or more of theoretical statistics, statistical methods, applied probability, statistical computing, the mathematics of operational research and econometrics.

Applications or inquiries about the post should reach Professor J. T. Stuart, FRS, Department of Mathematics, Imperial College, Queens Gate, London, SW7 2BZ, by Monday, 22 March, 1976. Applicants should name three referees.

UNIVERSITY APPOINTMENTS

St. Hugh's College, Oxford

Application is invited for the following postgraduate award:

DAME CATHERINE FULFORD SENIOR SCHOLARSHIP

St. Hugh's College proposes to elect to a Dame Catherine Fulford Senior Scholarship, tenable from Michaelmas Term, 1976. The Scholarship, awarded to candidates for a higher degree at Oxford, is open to women who will not have exceeded three terms from the date of Final Honour Examination, and who either have obtained a First or Second Class Honours degree or have been accepted by the University of Oxford to read for a higher degree but have not exceeded three terms from admission. The value of the Scholarship is £100.

Further particulars from the Principal, St. Hugh's College, Oxford, to whom application should be sent by Monday, 12th April, 1976.

University College London

FACULTY OF LAWS

Applications are invited for two Lectureships in the Faculty of Laws in the field of English Law. Salary in the scale £3,174-£6,446 plus £399 p.a. London Allowance; U.S.S. Initial salary according to age, qualifications and experience. Applications by 13 March, 1976, to the Assistant Secretary (Personnel/T), University College London, Gower Street, WC1E 6BT from whom further particulars may be obtained.

University College Cardiff

Applications are invited for the following post:

LECTURER

in the teaching of music in the Department of Education. Salary range: £3,174 to £6,446. Duties to commence 1 September, 1976.

Applications, together with the names of two referees, should be forwarded to the Vice-Principal (Administration) and Registrar, University College, P.O. Box 78, Cardiff, CF1 1XL, from whom further particulars can be obtained. Closing date 5 March, 1976. Please quote ref. 0475.

EDUCATIONAL

RS SUCCESSFUL in your exams. Write for free book. Rapid Results College, Dept. HE3, Tuition House, London, S.W.19. 01-947 7272.

G.C.E., DEGREE & Professional exams. Tuition by post. Free prospectus. W. Milligan, M.A., Dept. AJ4, Wolsey Hall, Oxford OX2 6PR. Tel. 0865 54351.

COURSES

GEORGE PEABODY COLLEGE, accredited M.S. Ed.S., Ed.D. programmes in

HUMAN DEVELOPMENT COUNCELLING

Evening classes will be held at the American Community School, Knightsbridge, London. First term: 7 February to 12 April. For information on entry and degree requirements, Telephone: Upper Heyford (code 086 982) 2084.

MISCELLANEOUS FINANCIAL

To the holders of:
INSILCO OVERSEAS CAPITAL CORPORATION N.V.
GUARANTEED FLOATING RATE LOAN NOTES 1980

In accordance with the provisions of the above Notes, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has determined the rate of interest payable with respect to Coupon No. 12 on Friday, July 30th 1976, to be Seven and One Half Per Cent (7½%) per annum.

Dated February 2nd 1976
Morgan Guaranty Trust Company of New York, Fiscal Agent.

LEGAL NOTICES

In the HIGH COURT of JUSTICE in BANKRUPTCY No. 1598 of 1975
Re: Peter Robert GORING of 33D Grosvenor Road, Wanstead, London, E11, BUILDER lately a COMPANY DIRECTOR and also lately carrying on business in partnership with others as CARBON PAPER SALESMEN (Under Receiving Order dated 7th November 1975 and Adjudication Order dated 13th January 1976) First Meeting of Creditors 13th February 1976 at 11.30 o'clock in the forenoon at Room 410/4th Floor, Thomas More Building, Royal Courts of Justice, Strand, London, WC2A 2JY. Public Examination 13th May 1976 at 11 o'clock in the forenoon at Court 46 (Queen's Building), Royal Courts of Justice, Strand, London, WC2A 2LL.

D. A. THORNE
Official Receiver

N.B.—All debts due to be paid to me.

No. 002592 of 1975
In the matter of THE DUTCH HOUSE (DIAMONDS) Limited. By order of the HIGH COURT of JUSTICE dated the 9th day of January 1976 Herbert William Tucker of Rutland House, 148 Edmund Street, Birmingham has been appointed Liquidator of the above-named Company with a Committee of Inspection.

Dated this 27th day of January 1976.

LEGAL NOTICES

IN THE HIGH COURT OF JUSTICE
No. 006 of 1976
CHANCERY DIVISION
MR. REGISTRAR DEARBERGH
IN THE MATTER OF SOUTH AFRICAN DISTILLERIES AND WINES LIMITED
and
IN THE MATTER OF THE COMPANIES ACT, 1948

NOTICE IS HEREBY GIVEN that by an Order dated the 15th day of January, 1976 made in the above matters, the Court has directed separate Meetings of the holders of (i) the Ordinary Stock and (ii) the 7% per cent Cumulative Preference Stock (other than the £1,724,357 Ordinary Stock and the £741,448 Cumulative Preference Stock beneficially owned by Oude Meester Group Limited) of the above-named Company (hereinafter called "the Company") to be convened for the purpose of considering and if thought fit approving (with or without modification) a Scheme of Arrangement proposed to be made between the Company and the holders of its respective classes of Ordinary Stock and Preference Stock (other than as aforesaid) and that such meetings will be held at The Burgher House, Stellenbosch, South Africa on Friday the 27th day of February 1976 at the respective times below mentioned, namely:

(i) the Meeting of the holders of the Ordinary Stock (other than as aforesaid) at 12 o'clock noon;

(ii) the Meeting of the holders of the Preference Stock (other than as aforesaid) at 12.05 o'clock in the afternoon (or as soon thereafter as the preceding meeting shall have been concluded or adjourned)

at which place and respective times all the said holders of Ordinary Stock, and Preference Stock (other than as aforesaid) are requested to attend.

Any person entitled to attend the said Meetings can obtain copies of the said Scheme of Arrangement, Forms of Proxy and copies of the Statement required to be furnished pursuant to Section 207 of the above-mentioned Act at the Registered Office of the Company situate at Lloyds Bank Limited (Registrar's Department), The Causeway, Goring-by-Sea, Worthing, Sussex, England or at the office of the Registrars of the Company in South Africa, Technical and Industrial Investments Limited, Coetzier Street, P.O. Box 106, Stellenbosch, Cape, South Africa and at the offices of the undermentioned Solicitors during usual business hours on any day (other than a Saturday or a Sunday) prior to the day appointed for the said Meetings.

THE SAID HOLDERS OF ORDINARY STOCK AND CUMULATIVE PREFERENCE STOCK MAY VOTE IN PERSON AT SUCH OF THE SAID MEETINGS AS THEY ARE ENTITLED TO ATTEND OR THEY MAY APPOINT ANOTHER PERSON WHETHER A MEMBER OF THE CLASS OR NOT AS THEIR PROXY TO ATTEND AND VOTE IN THEIR STEAD.

It is requested that forms appointing Proxies be lodged:

(i) in the case of all holders of Ordinary Stock and Cumulative Preference Stock (other than aforesaid) registered on the South African or Rhodesian registers of the Company with Technical and Industrial Investments Limited, Coetzier Street, P.O. Box 106, Stellenbosch, Cape, South Africa and

(ii) IN ALL OTHER CASES with the Registrar at the registered office of the Company Lloyds Bank Limited (Registrar's Department) The Causeway, Goring-by-Sea, Worthing, Sussex, England,

not less than 24 hours before the time appointed for the said Meetings, but if forms are not so lodged they may be handed to the Chairman at the Meeting at which they are to be used.

In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which the names stand in the Register of Members.

By the said Order the Court has appointed Jonas Peter Yeats, or failing him Arnold Galombik or failing him Pieter Gysbert Stern to act as Chairman of each of the said Meetings and has directed the Chairman to report the results thereof to the Court.

The said Scheme of Arrangement will be subject to the subsequent approval of the Court.

DATED the 30th day of January 1976.

SLAUGHTER AND MAY,
35 Basinghall Street,
London, EC2V 5DB
Solicitors for the above-named Company

In the HIGH COURT of JUSTICE in BANKRUPTCY No. 1599 of 1975
Re: Daniel John BEATTY lately residing at 1 Andrew Close, Gainshurst Hill, Essex, SALESMAN. (Under Receiving Order dated 7th November 1975) First Meeting of Creditors 13th February 1976 at 10.50 o'clock in the forenoon at Room 410/4th Floor, Thomas More BUILDING, Royal Courts of Justice, Strand, London, WC2A 2JY. Public Examination 13th May 1976 at 11 o'clock in the forenoon at Court 46 (Queen's Building), Royal Courts of Justice, Strand, London, WC2A 2LL.

D. A. THORNE
Official Receiver

N.B.—All debts due to be paid to me.

COMPANY MEETING NOTICES

ROYAL SCHOOL FOR DAUGHTERS OF OFFICERS OF THE ARMY

Notice is hereby given that the one hundred and twelfth Annual General Meeting of this School will take place at Lloyds Bank Ltd., Cox's & King's, 6 Pall Mall, London S.W.1 on Tuesday, 17th February, 1976 at 3.45 p.m. General Sir Antony Read, G.C.B., C.B.E., D.S.O., M.C., will preside.

COMPANY MEETING NOTICES

SOUTH AFRICAN DISTILLERIES AND WINES LIMITED

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of the abovenamed company will be held at The Burgher House, Stellenbosch, South Africa, on the 27th day of February 1976, at 12.10 in the afternoon (or as soon thereafter as the separate meeting of the holders of certain preference stock of the company shall have been concluded or adjourned), when the following resolutions will be proposed as special resolutions:

SPECIAL RESOLUTIONS

1. That the capital of the company be reduced by £1,605,743 and that such reduction be effected by cancelling and extinguishing all the ordinary stock in the capital of the company, other than the £1,724,357 ordinary stock beneficially owned by Oude Meester Group Limited, and that the credit of £1,605,743 arising on the said reduction of capital becoming effective be credited to capital reserve in the books of the company.

2. That the capital of the company be reduced by £8,552 and that such reduction be effected by cancelling and extinguishing all the cumulative preference stock in the capital of the company, other than the £741,448 cumulative preference stock beneficially owned by Oude Meester Group Limited, and that the credit of £8,552 arising on the said reduction of capital becoming effective be credited to capital reserve in the books of the company.

Dated the 30th day of January, 1976.

By order of the board
A. F. W. HARRISON
Secretary

Registered office
Lloyds Bank Limited (Registrar's Department)
The Causeway, Goring-by-Sea
Worthing, Sussex, England

NOTE

A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and, on a poll, to vote instead of him. A proxy need not be a member of the company. For forms of proxy to be valid:

(a) they must in relation to stock on the U.K. register be deposited with Lloyds Bank Limited, Registrar's Department, The Causeway, Goring-by-Sea, Worthing, Sussex, England not less than 24 hours before the time appointed for the meeting; or

(b) they must in the case of stock on the South African and Rhodesian registers be deposited with Technical and Industrial Investments Limited, Coetzier Street, P.O. Box 106, Stellenbosch, Cape, South Africa not less than 24 hours before the time appointed for the meeting.

NON-SECRETARIAL

TRAVEL AGENCY

Get into this exciting go ahead co.—help organize itineraries for parties of overseas visitors to London—handle hotel reservations, young informal atmosphere. LV's, Bonus—negotiable salary. If you can type and would enjoy meeting people call today. Lyn Stevens 01-734 0911. DRAKE PERSONNEL, 225 Regent St., W.1.

GO-GETTER!

Can you drive, type, organize and deal with people? Exclusive car hire company needs Personal Assistant to run the office, handle bookings, keep the boss in line and charm the clients. Salary neg. 3 weeks hols + perks. Call Judy Wood, 493 1888.
BRIEF ENCOUNTER

CAREER MINDED
INTERVIEWERS/MANAGERS/MANAGERESSES

ARE SOUGHT BY LEADING Agency. Experience in this field essential, plus drive, initiative, enthusiasm and desire to progress. Up £60 p.w. plus commission.
Mrs. Blair, City Branches 588 7484.
Mrs. Allen, West End Branches 493 9635.

ACCOUNTS ASST.—At Top A.D. Agency. Interesting role for intelligent youngster with good, all-round Accounts experience dealing with wide variety of client and media matters in leading Advertising Agency. Starts at up to £2,750—flexi-time and 4 weeks holidays. Miss March, Challoners, 23 Wormwood Street, E.C.2. 638 3846.

P.A. WITH INITIATIVE and good typing for Editor of newspaper concerned with religious freedom in Communist countries. Near Bromley. Start at £3,000. Ring Farnborough (Kent) 50116 (day time).

DENTAL NURSE for W.1, 2 man practice. £40+. Mon.-Fri. 387 3626.

RATHER SPECIAL

Every now and then we need a person with outstanding flair and someone rather special in the recruitment field. Somebody who is naturally enthusiastic, a person who weaves magic and sets wheels turning. The job is NOW with Alfred Marks Bureau's West End Group. It is very stimulating — ring Jessica Higgins, 734 6593, Alfred Marks Bureau, 213 Regent Street, W.1.

ALFRED MARKS

NON-SECRETARIAL

WEDGWOOD-GERED

We require a number of intelligent Assistants to sell Wedgwood china and glass to overseas visitors in our newly extended shop in Regent Street.

Salary according to age and experience (£25 minimum) plus generous commission and L.Vs.

Please ring Miss Tristram, 01-734 7262, or Mrs. O'Brien, 01-629 2614.

TECHNICAL INFORMATION ASSISTANT
£2,600

with experience of research and information work, preferably within the petro-chemical field, to join small enthusiastic information/library team of major international company.
Ring: Anna Moffatt on 584 3615.
Graduate Girls and Graduate Men.

ADVERTISING AGENCY RECEPTIONIST

Fast moving Advertising Agency urgently requires efficient Receptionist/Telephonist/Typist to work alongside exciting team. Based at Kings Cross.

Salary £2,300.
Telephone for appointment: Diana Beale, 01-278 4591.

BI-LINGUAL?

Helicopter company situated Belgravia requires resourceful and selfreliant person to handle all aspects of helicopter spares. Own typing/telex. Good knowledge of importing, exporting, invoicing and fluent use of German language essential.

Salary £2,850.
Box 2294 S, The Times.

HEAD OF TYPING
LEGAL BACKGROUND

Responsible for typing services and admin. matters, City co. would suit senior sec. keen to use organizing talents. Own typing a must. Preferred age 30-40. Salary £2,900 to £3,500 with 4 weeks leave.

COVENT GARDEN BUREAU
53 Fleet St., E.C.4.
01-353 7696.

BUSY ADMIN BEE FOR PUBLISHERS

Good career opportunity for extrovert with plenty of personality plus a flair for admin. to take over busy role at West End publishers. Involves dealing with printers, clients and Ad. Agencies on various aspects of advertising. Lots of responsibility and variety. Good starting salary and LV's. Miss Graham, CHALLONERS, 145 Oxford Street, W.1. 437 5022.

SELF-MOTIVATED SALARIES ASSISTANT
£3,000

Interesting and responsible role for discreet person with good payroll experience, preferably on computer, at West End head office of major international organisation. Involves a lot of inter-company liaison often at director level. Miss Gibbs, CHALLONERS, 19/23 Oxford Street, W.1. 437 9030.

ADMINISTRATIVE ASSISTANT.—First-class opportunity for career-orientated person with good educational background, proven administrative ability and flair for dealing with people. Typing a must, but constitutes small percentage of this very interesting job with non-commercial organisation. Around £2,800. Grosvenor Bureau, 499 6566.

EXCELLENT OPPORTUNITY in West End. Manager (female or male) required for U.K. Associates of International concern. Some previous business experience needed. Training will be given ...

INTERVIEWER (experienced) for secretarial agency ... salary ... Services ... Road ...

W.1. THEATRICAL ... to work in ...

SECRETARIAL

FEEL LIKE USING YOUR FRENCH?

International partner at well-known professional firm has a varied and interesting job for an experienced Secretary able to work under pressure and preferably with some conversational French. Well paid job with excellent benefits. Mrs. Salem, CHALLONERS, 45 London Wall, E.C.2. 638 9251.

A PLACE IN P.R. COPING WITH CLIENTS

Busy, involved type of job for bright, well-groomed young Secretary at Park Lane office of well-known, American owned Advertising Agency. Lots of client contact, lovely offices, good salary and generous benefits. Miss Cornforth, CHALLONERS, 5/7 Brompton Rd., S.W.3. 581 2753.

FRENCH WITHOUT TEARS
AT UP TO £3,000

Interesting job for mature Secretary with good commercial experience of West End head office of famous, international engineering firm. Some French, possibly up to "A" level would be very useful indeed. Bonus, profit sharing and other benefits. Miss Needham, CHALLONERS, 91 Regent Street, W.1. 734 9476.

£2,700, 4 WKS. HOLS. Staff restaurant. Admin. Sec. to Chief Accountant. No schedules. W.9. Public Co. Aged 29-38. Tel. 734 5444. Wren Bureau.

£2,850, 4 WKS. HOLS. Senior Sec. to Div. Controller. Own office/IBM Golfball. Some Spanish preferred. Tel. 734 6444. Victor Tapp, Wren Bureau.

c £2,850, 4 WKS. HOLS. 80p. L.Vs. per day. Mature SH/Secretary. IBM elec. S.W.1 Co. Working for 3 Petro-Engineers. Tel. 734 5444. Wren Bureau.

PUBLISHING Junior Sec. (shorthand) for Director in leading company. P.A. work involved. Good speeds. Sal. £2,000 plus L.V.s.—Premier Personnel, 492 0540.

SECRETARY Research Organization in Council Committee. Lots of admin. £3,160. Ring Sue Wheatley, 836 2282. Alfred Marks Bureau.

ADMINISTRATION / ENTERTAINING / client contact and secretarial. If you would like to combine all these aspects and are looking for a salary of £2,600 plus a large Bonus, telephone Fiona Buchanan, 584 4223. NH.

HAPPY YOUNG Secretary who likes to be well paid (i.e. £3,000), appreciated and cared for. If being spoilt appeals, and why not? Telephone Fiona Buchanan, 584 4223. NH.

KNIGHTSBRIDGE Secretary, 24-30, for Chairman of Conglomerate. Accurate, formal skills, good telephone manner, savoir faire for international interests. Language useful. Superb offices. £3,000 p.a. free lunch and a clothing allowance. JOYCE GUINESS BUREAU, 589 8807.

RECEPTIONIST/TYPIST, 21 plus. Knightsbridge Advertising Co. Busy reception, beautiful offices; accurate typing. Will teach PABX 1. £2,000 p.a. plus tax free clothes allowance. 4 weeks hols. JOYCE GUINESS BUREAU, 589 8807.

TO £3,500 P.A. P.A./SEC., 28-35, to Regional M.D., International Co. near Baker Street. High standards education, languages helpful. Senior level experience. Capable of organising all matters other than those requiring M.D.'s personal attention. Responsibility for conference room meetings, etc. Needs highly efficient, unflappable personality. Super fringe benefits.—JOYCE GUINESS BUREAU, 589 8807.

£3,500 P.A. UP FOR SUPER efficient P.A./Secretary, 25-30, to work with young City Banking Director dealing high-level middle east contracts. Good formal skills, education and experience. Knowledge international securities helpful. £3,500 p.a. plus fringe benefits.—Joyce Guiness Bureau, 589 8807.

TO £3,100. Like legal work? Partner specializing in commercial law needs well educated smart Secretary. Lots of client contact, good speeds essential. Ring: Career Plan, 01-734 4284.

P.A./SEC. for magazine publishers. £2,600 for the right person. Intelligence and good typing essential. 3 weeks hols., excellent offices and friendly staff. Mr. Davis, 739 6243.

TO £3,000. W.1 exhibition co. Senior sec. for M.D. Languages useful. Some travel. Belle Agy., 486 2896 or 405 4844.

ADMINISTRATOR urgently required for interesting and demanding job arranging educational visits for foreign students. W.1. Good typing and knowledge of French, German and Spanish/Italian essential. English mother tongue. 25 plus. Salary from £2,540 negotiable. Tel.: 935 5743.

PUBLISHING APPEAL? Secretary/Assistant to production manager of well known book publishers. A girl with clear shorthand, accurate typing, good academic background and adaptability for this busy department. £2,600 plus 4 weeks hols. London Town Bureau, 836 1994.

PERSONALITY PEOPLE to pull the punches, make the lunches and work on hunches!! Two busy ad-men need just that plus good shorthand/typing in W.1 agency. If you can, and are 20+, worth £3,200+. Ring Gee'n Recruitment, 499 4101-4.

PART-TIME SECRETARY for architects. Small informal office in W.1. 20 hrs. a week. Salary by arrangement. Telephone: 935 7406.

OPPORTUNITY in publishing. £1,600 offered to bright P.A./Sec., 17-18, for manager of Baker Street co. 836 6924. Just the job.

SPANISH/ENGLISH college leaver. Bilingual shorthand, £2,200. Language Staff. 734 8562.

SECRETARIAL

TWO OF PAST THREE SECRETARIES

to this PR.M.D. went on to Executive jobs. West End office. Secretarial duties to blindfold standard. Right salary for mid-twenties. Ring 935 5164.

SMOOTH RUFFLED FEATHERS ...
£2,700+ +BONUS

... organizing and assisting this sometimes busy M.D. enjoy the informal yet exciting atmosphere in this City Co. Let your secretarial ability plus happy personality secure a top salary. Perks, 30p L.V.s. Modern, comfy offices. Act now, call Maggie Webb, 353 0881. 61, Fleet Street, E.C.4. Office Overload.

GET INTO ADVERTISING IN PARK LANE

Media Director at well known Advertising Agency has interesting opening involving a lot of client contact for intelligent, well spoken young Secretary at their lovely modern offices off Park Lane. Plenty of variety and good prospects for promotion to media assistant. Good starting salary too! Miss Clay, CHALLONERS, 40 Oxford Street, W.1. 629 9656.

£3,000+ FOR RIGHT PERSON—Typist Friday read. for 3 delightful gentlemen. Job is varied, interesting. Phone Victor ... 734 5444. Wren Bureau.

SECRETARY, NO SHORTHAND, audio desirable. Insurance company. Client contact. £2,... Ring Wheatley, 836 2282. Alfred Marks Bureau.

Tempting Times

TEMPS—NO NEED TO REGISTER

until we have a job for you. Just ring us—tell us when you are available and leave your phone number.

Telephone:
INTERNATIONAL SECRETARIES
491 7012
top rates.

CHURCHILL PERSONNEL

WE NEED—experienced office staff with good skills.
YOU NEED—money, interest, variety, time off.
WHY don't we get together. We are looking for further additions to our team of temporary staff.
Ring ma, Susan Nacolton, 821 7401, and we can discuss it.

STOP PRESS

Please halt! We desperately need Temporary Secretaries W.1. and S.W.1. Immediate assignments, at high rates. Genuine bookings. Telephone: Penny Rievens, ... 8553.

ALBEMARLE APPOINTMENTS
31, Berkeley St., W.1.

WEST END

There are immediate ... Grade Temporary Secretarial Assignments available ... orientated Drake Clients.
Telephone or drop in and ... anytime. Katharine Copp 734 0911.
DRAKE PERSONNEL
225 Regent Street, W.1.

SHORTHAND TYPISTS

If you are adept with a golf ball typewriter the Victoria Agency requires your immediate help for work in and around the Victoria Area.

VICTORIA AGENCY
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START TODAY! Secretaries top temp. assignments in ... publishing and TV ... Paid weekly ... Marlene Lerner Personnel ... Baker Street, W.1. 01-93... 6450.

CHECK MY CITY CHOICE ... Short and long bookings ... Copy and Dicta ... good firms at good rates ... now. Miss Lamb, Chall... 9471.

ARE YOU A GRADUATE ... you type? We have ... interesting temporary ... non-commercial ... Prospect Temps, 629 ...

هكذا من الأصل

...rial and Non-secretarial ...tments also on page 30

SECRETARIAL

PECUNIA

...ry required to work for Deputy Chairman of ... Bank, taking care of all extra curricular activities. ... involved, demanding and rewarding. Clothes ..., Christmas bonus, subsidized canteen, plus ... perks. Salary £2,800 plus, negotiable.

Call Terry Beckett,

STAFF RESERVES, 439 8301

...L SECRETARY/ ...SSISTANT

...ecutive of US Oil ... London West End ...quires well-educated ...assistant with initia- ... good personality in ... small office and ...okkeeping, tax and ... addition in normal ...

KNIGHTSBRIDGE £3,000

The Director General of an Agricultural Council needs a Secretary/P.A. who would enjoy being totally involved in the diverse world-wide activities handled by the Organisation. The right person will be responsible for organising a variety of social functions besides coping efficiently with ...

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If you are adaptable, intelligent, reliable and a qualified Secretary, you may be the person we are seeking to fill the post of secretary for the Managing Director and Office Manager. The job is busy, varied and interesting with pleasant working conditions in modern Bond St. Office. Good salary, fringe benefits and staff cafeteria.

Please ring Ruth Dicksee,

TIME LIFE INTERNATIONAL LTD.

Telephone 499 4080

INTERNATIONAL BANKING YOUNG SECRETARY

Fenchurch St. £2,850 + Bonus

One of the world's largest Banks seeks a capable young Secretary, 22-25, for one of its trading divisions with prestigious offices close to Fen...

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We have immediate vacancies for Secretaries and Typists to work in

FILMS—T.V.—RECORDS AND ADVERTISING

PATHFINDERS 629 3132

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Young secretarial persons will find a choice of first-job opportunities here. Literate, keen trainees who didn't quite make shorthand, equally should find their right niche through us.

STELLA FISHER BUREAU

110-111 STRAND, WC2

01-836 6644

(Opposite Strand Palace Hotel)

P.A./SEC. FOR ADVERTISING

Lots of involvement here for a well educated PA Sec. (20+) working for the European Co-ordinator, client liaison demands a good personality in order to cope and take responsibility. Duties also include arranging meetings, tra...

PERSONNEL SECRETARY/ASSISTANT

Good secretarial skills plus experience in a personnel department? Aged 22 plus? Then join us as Secretary/Assistant to our Personnel Manager.

Working in modern offices ...

SECRETARY W.6

George Wimpey & Co. Limited are looking for a Secretary to their Chief Estimator at Hammersmith Grove.

In addition to basic secretarial duties, your day to day work will involve some personnel administration within the department.

Probably in your 30's, for this interesting position you will need impeccable secretarial skills and a good telephone manner.

An attractive negotiable salary is offered, together with usual large company fringe benefits, including a staff restaurant.

Please contact Miss Rosemary Colhoun, on 01-743 2000 ext 871. George Wimpey & Co. Limited, 27 Hammersmith Grove, London, W6 7EN

Publisher and Editorial Executive

requires

SECRETARY

over 21 for busy office in W.C.2.

Work is varied and interesting. Applicants should be competent shorthand typists, have "O" level English or equivalent and a pleasant telephone manner.

Telephone 01-836 4363, ext. 560 for an appointment.

RUSTY SHORTHAND £2,500+

For really interesting position in this young, friendly organisation, who, in return for good typing, a sense of humour, offer excellent salary plus perks including 5 weeks hols, not much dictation, and very slow shorthand accepted.

KEYSTONE

278 3233

£3,000 UPWARDS

A quarterly profit-sharing scheme, annual reviews and a month's holiday are part of being secretary to this deputy chairman. He's often abroad, so you'll be in sole charge of the small London branch (St. James's), handling all his commitments with a free hand. Good skills, a bright smile and a talent for organizing are all you'll need. Don't miss this chance in a big stable company. Call Gail Shaw now. 221 6010. 10 Pembridge Rd., W.11. OFFICE OVERLOAD.

ALANGATE LEGAL SECRETARIES £1,700 to £2,500 plus

Conveyancing, Litigation, Trust, Probate, Company and Commercial vacancies in all areas of London. We specialise in these positions for both Junior and Senior Secretaries—Permanent and Temporary. Contact Sandra Johnson on 01-405 7201 and discuss your new job today.

FIGURE IT OUT £2,500

Like dealing with people? This friendly W.1 co. can offer you plenty of responsibility as you handle the preparation of cheques and the controlling of the bought ledgers. Excellent conditions, regular reviews plus bonus! Interested? Call Beth McAfee, 831 7401. CHURCHILL PERSONNEL.

£3,500

The Director of Far East operations in an international trading company needs a Secretary of skills and reliability, able to act as an effective back-up.

DIRECTORS' SECRETARIES, 01-629 9323.

A CONFIDENT COMMUNICATOR

to act as P.A./Secretary to a Senior Executive of Knightsbridge based company. First class shorthand and typing and the ability to run and maintain a busy office is essential. Starting salary from around £2,750. For more details phone: CENTACOM STAFF, KENSINGTON 937 6525 STRAND 836 3876

INTERNATIONAL PUBLICATIONS

Current and world events, market research your forte? You will certainly be kept busy and interested with clients, telephone, research, meetings ...

SECRETARY WITHOUT SHORTHAND

Piccadilly £2,500

An American firm of Management Consultants seek a mature and experienced Secretary, 24-30, for its offices close to Piccadilly Circus and Green Park Stations. You will assist 2 young Executives who provide a consultancy service to international companies and staff remuneration and benefits both in the U.K. and abroad. We therefore seek a well presented Secretary with excellent typing speeds and who wants to become really involved in an expanding organisation. For further details call Mike Cripps on 584 8582.

CRIPPS SEARS AND ASSOCIATES CONSULTANTS

WE'LL KEEP YOU ANIMATED!

By simply introducing you to the best jobs in London—perceptively!

PERMANENT AND TEMPORARY

Coffee's ready—and a warm Welcome!

JOYCE GUINESS BUREAU

21 BROMPTON ARCADE, BROMPTON ROAD, KNIGHTSBRIDGE, S.W.3.

(Brompton Arcade is a few steps from Knightsbridge Tube Station, Sloane St. exit)

589 8807/0010

THE place for top jobs!

PART-TIME CAREERS LIMITED

Excellent salary for

P.A./SECRETARY

late 20's, to Chairman of West End Company. Flexible hours. For further details ring.—

Mrs. Kay Sykes, Part Time Careers Ltd., 10, Golden Square, W.1. Tel.: 01 437 3103

JOB WITH A DIFFERENCE? £2,500

If you are a good Typist and would like a job with lots of interest and variety this rapidly expanding organisation urgently needs your help. Shorthand would be useful but definitely not essential. Perks are excellent including 5 weeks' hols., hours, 9-5.

KEYSTONE 278 3233

LINCOLNS INN, W.C.2

Audio Secretary, preferably with litigation or conveyancing experience required by Solicitors.

Salary up to £2,350. Interesting work. 3 weeks holiday. LVs.

Phone Mr Wood 01-242 6784.

S.W.1 INTERNATIONAL CO. £3,000

Senior executive seeks confident and personable P.A./Secretary with a good telephone manner and the ability to liaise at high level, excellent working conditions.

Jaygar Careers 01-730 5148/9

INTERNATIONAL ADVERTISING AGENCY £3,000

Senior marketing executive seeks top calibre P.A./Secretary, aged around 30. French or German useful as is a knowledge of bookkeeping.

Jaygar Careers 01-730 5148/9

SECRETARY

with experience, shorthand and some audio, for Senior Partner of small firm of Chartered Surveyors. Own office. Interesting work in historic building adjacent Chancery Lane Station. IBM Golfball. £2,500 p.a. negotiable, and light lunches provided.

Phone: Mrs. J. Mullen, 242 4321.

CRIMINAL LAWYERS, W.C.2, require top secretary.—406 1874.

MOTOR CARS

MOTOR CARAVAN

Bedford, 71, Autohome, sleeps 4. Excellent condition, mechanically perfect. Cooker, sink, fridge, toilet, burglar alarm.

£2,100

242 2520 X 4702. Mon.-Fri.

ASTON MARTIN DBS J8

J. reg., tinted windows, radio/8-track. Must sell soonest. Owner going abroad. £2,200. Telephone: 286 0873.

RANGE ROVER AND LAND ROVERS l.h.d., r.h.d., available. 01-446 5860. Telex. Expanis 21879.

B.M.W. DISTRIBUTORS. Sales and Service 01-568 9153.

APRIL 1973 AUSTIN 1300 GT Saloon Size. Bargain at £975.—Berkeley Square Garages, 01-499 ...

FLAT SHARING

WIMBLEDON, 2 mins Raynes Park Station. 4th and 5th persons to share newly decorated flat, own rooms, k. & b. £34 p.c.m. Excl. 01-947 1727, eves & wkends.

COUPLE share luxury Maida Vale flat. Attractive double room, c.h., col. T.V., garage. £12 each p.w. —289 1458, eves.

ROOM WITH A VIEW, Blackheath. single/double, c.h., c.h.w., b.b. or full board. 852 3640, eves.

2 SINGLE ROOMS in a flat in Bloomsbury, also in a houseboat in Chelsea, £10-£12 p.w. Ring 892 7636.

ANY accommodation to let ?—Executive Flatsharers, 235 6188.

LOOKING FOR OWN ROOM ? Executive Flatsharers, 235 6188.

MAIDA VALE.—Girl, own room, luxury c.h. flat, col. T.V. £75 p.c.m.—289 2387.

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GIRL SHARE bright Baker St. flat. £65 p.c.m. 486 3803 eves.

RENTALS

(continued on page 32)

...adcasting

...t Humphrey, American politician and, incidentally, no mean television ...mer, is featured in Panorama. Well, he makes a change from some of our lot ... 8.10). Horizon, the science programme, pays court to King Coal (BBC2 9.50). ...cottish Symphony Orchestra plays popular classics (BBC2 10.40). Clapperboard ... topically at the films new and old of Alistair Maclean and Agatha Christie ...4.25). Canterbury Cathedral continues to get a television airing, this time with ...Peter (BBC1 4.45). Pebble Mill, the lunch-time magazine from Birmingham, ...s the Queen at the opening of the National Exhibition Centre (BBC1 1.0).—

BBC 2

11.00-11.25 am, Play School. 3.30 pm, The Careerers. 4.00 4.25, State of Play—Pre-School Education Now. 6.15, Open University: Foundation Maths; 6.40, Technology for Teachers. ...

Thames

12.00, Issi Noho. 12.10 pm, Rainbow. 12.30, Kreskin. 1.00, News. 1.20, Lunchtime Today. 1.30, Emmerdale Farm. 2.00, Good Afternoon: 2.30, Film: It Couldn't Happen to a Nicer ...

ATV

12.00, Thames. 12.30 pm, ATV Today Pick of the Week. 1.00, News. 1.20, ATV News. 1.30, Thames. 2.30, Film, Hot Spell with Anthony Quinn, Shirley Booth, Shirley Maclaine. 3.55, ...

Westward

Granada

Southern

Anglia

Yorkshire

Tyne Tees

Grampian

Border

Radio

PERSONAL COLUMNS

ALSO ON PAGE 31

ANNOUNCEMENTS

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DEATHS

DENNETT.—On Jan. 29th, peacefully, at R.N. Hospital, Haslar, Instructor Rear Admiral Cecil Reginald Bennett, widower of ... (Bess) Bennett, and beloved father of Joan and Mary. Funeral service at Porchester Crematorium, 3 pm. Wednesday, Feb. 4th. No flowers by request but donations if desired to Royal Naval Benevolent Trust.

SMITH.—On Saturday, January 31st, peacefully after a short illness, Julie Mary, beloved wife of Grahame and much loved mother of Ross, of Hurstleigh, Virginia Avenue, Virginia Water. No flowers and letters, please.

TILDESLEY.—On January 31st, peacefully, Miriam Louise Tildesley, MBE, of 54 Greys Hill, Henley-on-Thames, in her 92nd year. Funeral service Holy Trinity Church, Henley, on Thursday, February 5th, at 11.40 a.m. Flowers to: Tomalin, Henley.

The Times Crossword Puzzle No 14,215

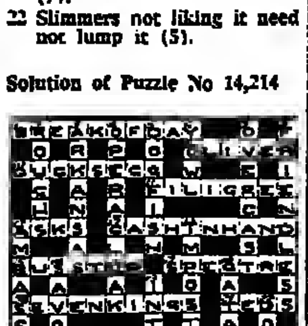
ACROSS

1 The family horologists? (12).
8 They only take seconds getting up (7).
9 Young garage hands stuffed full with acid-drops! (7).
11 We get terribly rich now in the city (7).
12 When some brewers get to work (3-4).
13 Like the stairway one left (5).
14 "Green" and certainly not "fly" (9).
16 Roosevelt and his quarry in Toyland (5, 4).
19 Sporting event one may make light of (5).
21 Applause by advocates of reaction? (7).
23 As far as we can go in the interim, perhaps (7).
24 Sport in which old Bob appears out of sorts (7).
25 A certainty, the favourite in this scrap (7).
26 What's it got that Adam and Eve hadn't? (6, 6).

DOWN

1 One girl's change of part in Shakespeare (7).
2 "Friendship" includes in French "pleasantness" (7).
3 Accommodation on Cheapside? (9).
4 A course for Mac or Ian, perhaps (5).
5 There's a catch in here for some vegetarians (7).
6 Go in for new form of house cover (7).
7 One of these, Moses, being a picturesque character? (12).
10 They're liable to lose their balance soon (12).
15 A trying experience for the cook? (9).
17 Clued it badly as "capable of being drawn out" (7).
18 His love was certainly not "like a red red rose" (7).
19 Like the Owl and the Pussycat, we'd lost something (7).
20 Excursionist in the fall? (7).
22 Slimmers not liking it need not lump it (5).

Solution of Puzzle No 14,214



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FOR SALE

FOR SALE

(continued on page 31)

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Le Monde
LA STAMPA
THE TIMES
DIE WELT

Europa

EUROPE EUROPA

An economic monthly published in Britain, France, W Germany and Italy   Vol III No 5 February 1976

Onward march of a western communist party

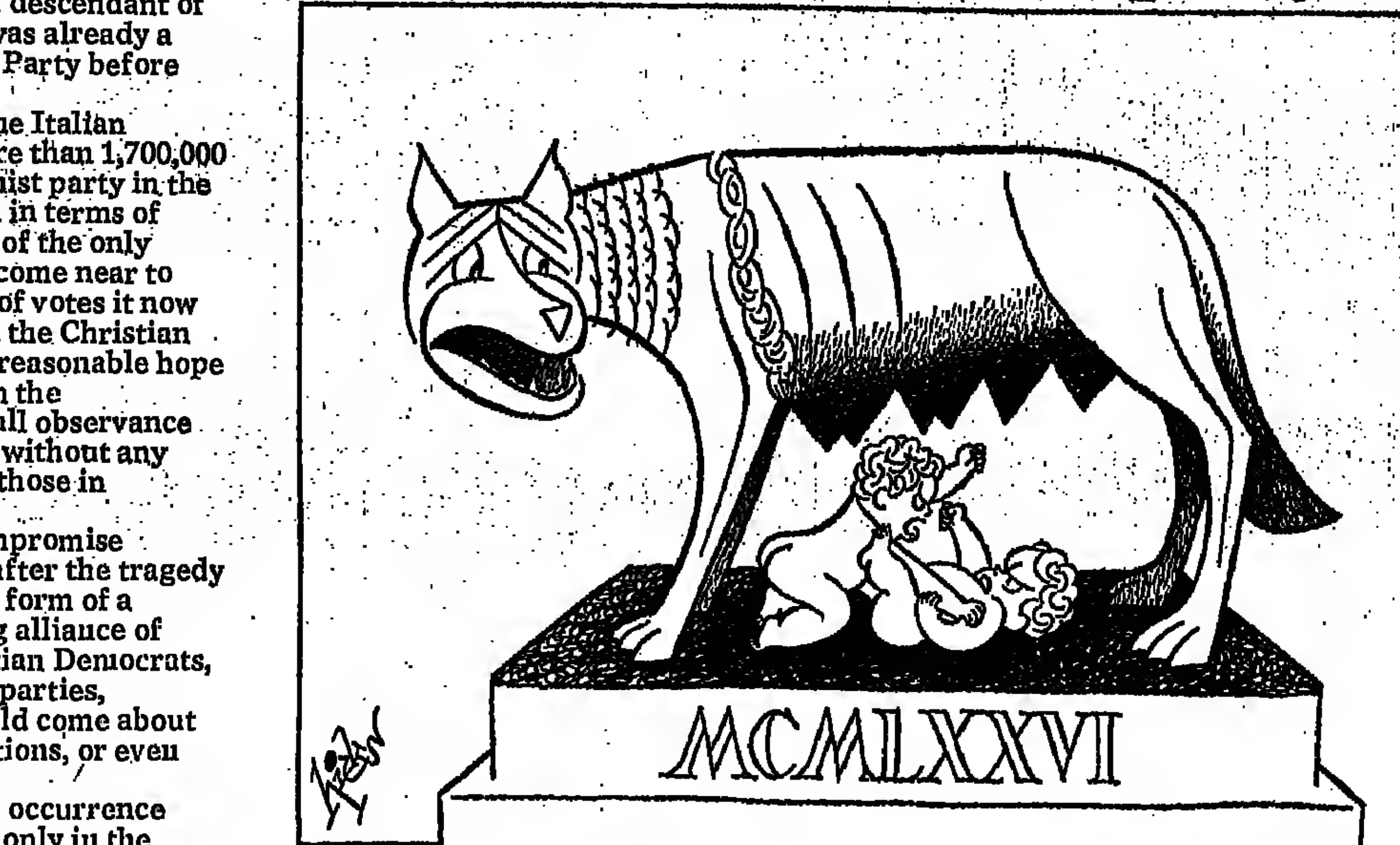
Enrico Berlinguer, the 54-year-old descendant of an aristocratic Sardinian family, was already a member of the Italian Communist Party before the fall of Mussolini.

He is not only the secretary of the Italian Communist Party, which, with more than 1,700,000 members, is the strongest communist party in the West, and ranks third in the world in terms of membership. He is also the leader of the only western communist movement to come near to having an electoral lead. In terms of votes it now lies second, only a fraction behind the Christian Democrats. His party now has the reasonable hope of gaining, quite shortly, a share in the government, achieved legally in full observance of parliamentary regulations, and without any revolutionary upheavals (such as those in Portugal) or external pressures.

The proposal for an historic compromise that he put forward immediately after the tragedy of Chile, and which could take the form of a coalition government or a working alliance of Communists, Socialists and Christian Democrats, has so far been rejected by all the parties, including the Socialists. But it could come about after the forthcoming Italian elections, or even before.

That would be an extraordinary occurrence with enormous repercussions, not only in the West but in the communist world itself. It would be an event which in many quarters—governments and public opinion alike—would be considered alarming, in the context of Italian and European democracy, Italy's position in the Atlantic Alliance, and international equilibrium.

Carlo Casalegno, *La Stampa*, spoke frankly with the secretary of the Italian Communist Party for several hours on the complex domestic and foreign policy problems posed by the party's "onward march towards government".



New signs of tension are apparent between the United States and the Soviet Union. Do you think that this makes realization of the historic compromise any less probable?

The possibility of a return to the cold war does not seem a reasonable one to me. Détente—even if it does mean short spells of busy activity alternating with lulls when nothing seems to happen—is necessary, objectively speaking, and unless disaster of one sort or another intervenes, it must continue. Not only does it favour democratic development and advanced economic and social change in the capitalist countries, it also exerts favourable influences on the East.

At the recent rally in Rome in honour of Dolores Ibarruri, you said that we must get away from academic, dogmatic interpretations of Marxist doctrine. The arguments that the Italian, French and Spanish communist parties have had with Moscow over doctrine and policy have caused a number of commentators to speak of a third schism, after those of Tito and Mao.

Is it not contradictory that your party should agree to take part, even on precise terms, in the pan-European Communist conference? Would not a refusal have been the most convincing proof of the independence which the Italian Communist Party claims to have won?

For a long time now we have been working with other parties in Western Europe, with the object of bringing both the interpretation of Marxist doctrine and our own political action into line with the historical and political realities of countries individually and the West as a whole, discarding any form of dogmatism, offering an original contribution to Marxist thought, and opening up a new debate with the socialist parties.

But our independence of political action and theoretical research, our organizational independence, our rejection of the idea of any kind of leading party or leading state and our constructive relationships with the Socialists—none of these things means either that we wish to become Social Democrats, or that we cease to be internationalists (even though the Italian Communist Party does not belong to any international).

We oppose common directives and constraints on our organization. On the other hand, we welcome opportunities for cooperation and joint research. Our initiative, in conjunction with the Polish party, in calling a pan-European conference of Communist parties to discuss the development of détente and cooperation between all European countries, has that aim in view.

Naturally, our greatest efforts are directed towards opening up new channels for furthering socialism by democratic means in our own country and the other countries in Western Europe. For this reason we seek to come together and collaborate not only with other communist parties, but also with socialist parties and other popular, democratic workers' organizations in this part of Europe.

There is surely no question that, especially in foreign policy, the Italian Communist Party appears to be aligned with Moscow and its friends, but seems quite a long way away from Peking.

The Italian Communist Party is not aligned with any state or party. Our independence of judgment has been asserted on various occasions, even where Soviet life and certain aspects of Russian policy are concerned.

It is true that we support the fundamental philosophy behind the policy of peaceful coexistence and détente that is being tenaciously pursued by the Soviet Union. But we do not understand why this should occasion any surprise.

It would be irresponsible of us not to recognize, what is widely recognized elsewhere, that the Soviet Union's peace policy is in the general interest of mankind. As far as China is concerned, our position can be summed up thus:

We are resolutely against any condemnation of China and the Chinese Communist Party.

We do not express any opinion on the situation inside China, because—since we have no means of knowing what that situation is—it would be irresponsible on our part.

We do, however, criticize certain aspects of Chinese foreign policy such as the argument against détente, the choice of conservative or reactionary people like Heath or Strauss or Fanfani as privileged partners in talks, and the positions taken up over Angola, Spain and Chile.

If the Italian Communist Party joined the Government, how could it reconcile solidarity with the anti-imperialistic forces, with Italy's commitments to Nato?

The two are in no way contradictory. We made it clear at the last congress, and repeated it subsequently, that the Communist Party does not want Italy to withdraw unilaterally from Nato, because such action would prejudice détente. It will be possible only gradually, and through détente, to move finally away from the idea of military blocks, and base the

continued on page 16

On the contrary

C'est pendant le mois de février qu'il faut commencer les travaux sérieux au jardin européen.

La petite graine du rapport Tindemans ayant été semée au début de janvier, il s'agit maintenant d'en encourager le développement. Il convient donc de compléter le fumier naturel par l'engrais chimique des ministres des affaires étrangères, en attendant une opération de fumure plus importante au sommet du mois de mars.

C'est le moment aussi où le jardinier prudent doit tailler tous les arbres, notamment la politique agricole commune, le gaspillage et les frais d'administration. Dans l'espace ainsi libéré, ou bien en pépinière, il faut dès maintenant planter les arbres fruitiers qui n'ont pu être mis en place auparavant : l'agence d'approvisionnement militaire, le secrétariat politique etc.

Aucun jardin n'est à l'abri de ses adversaires. Contre les intempéries diverses, il faut prévoir des rideaux (murs, palissades, auvents) ; contre les rongeurs, les mauvaises herbes et les microbes, surtout au verger, une action concertée d'herbicide et de décapage est également indispensable.

La patience compte au nombre des vertus cardinales de tout jardinier ; la résolution aussi. C'est le labour patient des mois d'hiver qui rend possible la joie du printemps et la récolte de l'automne.

Pangloss

On other pages

Enrico Berlinguer, overlooked by Antonio Gramsci, one of the Communist thinkers who saw the need to transform the party's work from pure propaganda into political initiative. Right : leftwingers give the clenched fist salute in Rome last year when Communists gained 2,500,000 votes.

Onward march towards communism

continued from page 1

security of all countries on other foundations.

But even though we clearly accept Italy's present alliances we communists call for the rejection of any foreign interference in our country's life and internal political decisions.

In Western Europe there is a dividing line between the Latin, Catholic countries in which the communists are strong, and the large Anglo-Germanic sector, in which the communists are almost non-existent and indeed are treated with hostility. Would not the presence of the Italian, French or Spanish communists in their countries' governments be an obstacle to progress towards a united Europe?

I do not consider that the communist parties are a negligible force in the centre and north of Europe. But then, I do not see why there should be any split between countries where communists have governmental power and other countries in Western Europe where they do not.

Above all, conditions are now ripe for a fruitful exchange of views between communists, socialist and social democrats, since the crises and the devastation of capital society are forcing all the popular, workers' parties to rethink their policies and their own doctrines.

For a recent article on the Eurocommunists, *The Economist* used the headline, "Halfway to independence: are they halfway to democracy?" Do you think a communist programme can be carried out within the rules of democracy?

I deny that we are halfway to independence. Our independence is complete. So also is our allegiance to democracy and its rules. We have made clear again and again that the accession of the working classes to political power can and must be achieved in Italy in a manner fully consistent with democratic institutions, the principles of freedom, and the procedures for change embodied in our constitution.

We know that the construction of socialist society—although objectively overdue and necessary today for the salvation of Europe—poses delicate problems. These are both economic, such as the risk of sharp falls in the growth of production, and political, with the need to avoid the temptations of authoritarianism. These dangers have been much in our minds when preparing our programme for revival and unity.

We consider various forms of economic management necessary, allowing wide scope for private enterprise within a national, public programme that is democratically prepared and democratically carried out.

The surest way to avoid the temptation to authoritarianism is to base political power on the broadest possible foundations of agreement and participation by the people, forging an alliance of all the popular, anti-fascist parties, and sustaining and developing the people's love of liberty.

An authoritative American journalist, Bob Christopher, of *Newsweek*, has written that, instead of wondering how to judge the historic compromise, it is now a question of wondering when and how it will come to pass. What could the Italian Communist Party do, sharing power in the Italy of today with hostile allies?

I do not know whether the historic compromise is inevitable. I certainly consider it necessary in the national interest. Conditions today make it essential to introduce something new into the way the country is run, after having tried various forms of coalition, none of which included us.

The Italian Communist Party's presence in the Government will not of itself work any miracles. But if we are to survive this period, it is essential to have the collaboration of a party that can claim 33 per cent of the votes, that is trusted by most of the workers and a high majority of manual labourers, and can close the gap between the state and the working classes.

There is no way out of the crisis that does not demand a great deal of effort. Without the collaboration of the Italian Communist Party I cannot see any government having the moral and political authority to call for such an effort, and to guarantee that the burden shall be fairly shared, and directed at the creation of a fairer society.

Do you think that the resolute opposition of the Holy See and the Italian bishops could prove an insurmountable obstacle to your coming together with the Christian Democrats?

The documents published by the bishops represent a form of interference by the church that is to be condemned and rejected as a matter of principle. From a political point of view they may act as something of a brake, though this should not be over-estimated. The Italian bishops, without exception, had opposed the new direction imparted to the life and work of the church by the Second Vatican Council called by Pope John XXIII, but they were unable to prevent this penetrating the consciences of Italian Catholics.

The most recent pronouncements of the Italian episcopate have probably been influenced by the anxieties of some Catholic quarters regarding the future of the Commune of Rome, which lays the bishops open to the suspicion that they are seeking to defend administrations that are responsible for immense damage, especially of a moral character.

Certainly the Christian Democrats have not reacted in any very clear way to interference by the church in recent years. But events in Italy have shown how much the realization has spread, among Catholics, that political involvement not only demands independence but is a lay matter.

EUROPE EUROPA

Editorial: Pierre Drouin, Jacqueline Grapin, *Le Monde*; Piero de Garzarolli, Carlo Sartori, *La Stampa*; John Greig, David Spanier, *The Times*; Fritz Wirth, Hans Baumann, *Die Welt*.

Editorial Coordinator: John Greig.

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Behind the scenes

VAT, CTT, ILOR . . . some of the initials which are a cause of contention in EEC countries. All are defined in the three letters TAX. Calls for reform are common, but changing taxation systems can prove complicated.

London

Time for inquiry and overhaul

It is by now common knowledge that Britons pay higher taxes than anyone else. What other western country can boast of a marginal tax rate of 98 per cent on investment income and a top rate of 83 per cent on income earned through sweat and toil? And this is before making any calculations in respect of a tax on capital, the proposed wealth tax.

Fortunately, for both the hard-pressed taxpayer and the equally hard-pressed Inland Revenue, the Government's original intentions of being able to lay down proposals for a wealth tax in the coming Budget have been foiled. The select committee on the subject failed to reach agreement and the Chancellor has postponed his plans until 1977.

This was a triumph for common sense. We are not against tax reform in principle—although there are plenty who do have fundamental objections to any tax on capital—but Britain has been subject to a long series of major tax changes in the past decade and it is now time to take a breather, if only for practical administrative reasons.

Highlights from the continuing round of tax changes since 1965 include the move to corporation tax, the introduction of capital gains tax, the adoption of value-added tax (although this comes under Customs and Excise rather than the Inland Revenue), the move to a unified system of personal taxation, a major modification to corporate taxation when the imputation method was adopted, and lastly the replacement of estate duty by capital transfer tax.

There are also three failures (equally costly in time and manpower) to be reported: the negative income tax or tax credit system, the inheritance tax, arguably much more attractive than its successor, capital transfer tax, and now the wealth tax.

This piecemeal development and reform of taxation in Britain has failed to take into account the impact each change has on other aspects of taxation. It has led to over-taxation and anomalies, and by common consent taxation is in disarray.

Can you wonder that the British are not too enthusiastic about ad hoc tax changes? What is needed is a major review and overhaul of the system which will take into account three key questions. How to allow for the effects of inflation on tax; what is the most appropriate way of taxing capital; third, how to harness correctly the redistributive aspect of taxation.

The last time the British tax system was scrutinized was the 1955 Royal Commission on Taxation. Many people believe it is now time for another tax inquiry—which would at least give respite from further tax changes for a year or so, if nothing else.

Margaret Stone
The Times

Paris

Capital gains soon to fall into net

In France the Opposition is calling for genuine tax reform. The Government, on the other hand, is talking only in terms of reducing the burden of indirect taxation and eliminating inequalities; a necessarily cautious approach, since public opinion, while finding the taxes on consumption too heavy, is probably not ready for drastic changes to the present system, even in the name of justice.

A major objective of the Government, and of M Giscard d'Estaing in particular, has been the reduction of the proportion of the state's total tax revenue taking the form of indirect taxation (of which VAT accounts for the lion's share). However, the implication of this is that there would have to be a corresponding increase in direct taxation; in other words, that the French would have to pay an ever-increasing proportion of their earnings in income tax.

Despite a number of reductions in VAT rates over recent years, a substantial proportion of the state's revenue still comes from taxation on consumption: roughly 45 per cent. In fact the reductions on certain products have merely had the effect of preventing the burden of indirect taxation from assuming even greater proportions: since VAT already produced 45 per cent of taxation revenue in 1970, the difference is nil.

It would be unrealistic to expect M Giscard d'Estaing to be in a position to embark upon such costly reforms over the next few years, which are likely to be a difficult period. It is already clear [illegible] going to have to make major sacrifices during the seventh plan, with higher taxes, social security contributions and public utility charges in the pipeline. The injustice of VAT, under which rich and poor alike pay the same amount of tax on a piece of steak or a bottle of milk, is going to continue. If the Government does attempt to reduce the existing inequalities, it will do so by other means.

The recurrent theme heard from M Giscard d'Estaing and M Fourcade nowadays is that much more can be done to reduce inequality in France by broadening the base of taxation than by raising rates. This is the new philosophy: capital gains are soon to be taxed systematically, probably from next year.

This move is now so far advanced that it is almost certain that it will be carried through to its conclusion. All that remains to be seen is how much of the original idea—to correct an injustice—will have survived once the Act has been passed and given effect. Put another way, will the capital gains tax represent a real reform or will it be no more than a device to silence the Opposition's criticism?

The statements on this subject made by the Prime Minister point to a moderate approach by the Government, probably designed to gain acceptance in the country for the principle of a tax which would otherwise have been rejected or the subject of widespread evasion.

What has M Giscard d'Estaing said? Capital gains will be taxable only when realized, so that an asset kept by its owner will not be subject to tax, even if it appreciates, as is almost always the case. The asset will attract tax only when it is sold. Thus there will be no tax on capital.

The full amount of capital gains will not be taxed. The taxable amount will be the balance remaining after deduction of a percentage corresponding exactly to the average increase in retail prices in France between the dates of purchase and resale.

Capital gains will be taxed on the same basis as other income. This means that the disadvantages of the graduated scale of income tax will be applicable to them, but so will the advantages of the family allowance (taxable income is divided into a certain number of *tranches*, depending on the size of the family).

M Giscard d'Estaing has recently given two further recommendations to the experts engaged in drafting the capital gains tax rules: first, that the sale of a principal residence should not be subject to the tax and second, that the tax on the sale of goods owned for a long time should be very low. This means in effect that there would be no tax on the proceeds from a piece of land sold for building as long as it had been in the same family for 100 or 150 years.

By this approach the Prime Minister has given a clear indication that the tax will not affect wealth already acquired. Is this fair? Is it clever? Certainly not fair since, in the time it takes to sign a contract of sale, one can make very substantial profits on a plot of land which one has acquired without ever having done a day's work.

Is it clever? Yes, if this decision enables the Bill to be enacted and avoids an exodus of capital which, according to some unconfirmed reports, has already started. No, if such discrimination proves to be yet another disincentive to the French to invest their savings in industry by buying shares and loan stock.

At all events, this approach by M Giscard d'Estaing is certainly paradoxical at a time when the Government is leaning over backwards in its preparation of the seventh plan to find ways and means of encouraging the French people to invest in industry.

Alain Vernholes
Le Monde

Tax on consumer goods accounts for 45 per cent of French government revenue.

Bonn

Double test for the politicians

West Germany is continuing the reform of its tax system—but in top gear now that elections are coming up. The main part, the reform of wages and income tax, came into force at the beginning of 1975. Many citizens were granted some relief from the consequences of inflation through tax changes, but some were angered. The politicians have obviously realized that although people will gladly accept a little tax reduction, displeasure is vented on the Government if it places certain groups of the population at a disadvantage.

The Bonn Government of Social Democrats and Liberals has two tests before it: the reform of corporation tax on companies and three tax increases—VAT, tobacco tax and spirits tax—on January 1, 1977.

Both projects are being handled politically. With the planned reform of the corporation tax it is intended that the profits of limited companies in *Aktiengesellschaft* (AG) form shall no longer be doubly taxed—that is, once in the company and again in the hands of the shareholder. Its aim is to tax distributed profits in the hands of the shareholder at his personal tax rate. The result of this would be to give him a tax credit in addition to his present income.

For the small shareholder therefore this would mean a definite increase in his net income. The supporters of the reform also point to the improved financing opportunities which it would give to companies; and economists to the possibility of wider distribution of productive wealth.

Admittedly, the chances of this Bill in Parliament are small. Within the governing coalition the Liberals are vehemently in favour of the reform, but the larger SPD has reservations because the trade unions sharply reject it. Their argument is that the new corporation tax benefits only the rich. The Christian-Democrat opposition is also in favour of the reform, as are the employers' associations. In Bonn it is still not clear whether, in view of this grouping, the complicated Bill can be brought safely over the parliamentary hurdles in time for the election.

Peter Gillies
Die Welt

Rome

Move to make tax system more flexible

The true tax situation in Italy has been set out by Dr Visentini, the Finance Minister, in a White Paper presented to Parliament. Dr Visentini was closely involved in 1975 with the most important occurrence in taxation—the so called mini-reform.

Briefly, there were three aims behind the measures launched last year. They were:

To remedy, for tax purposes, the

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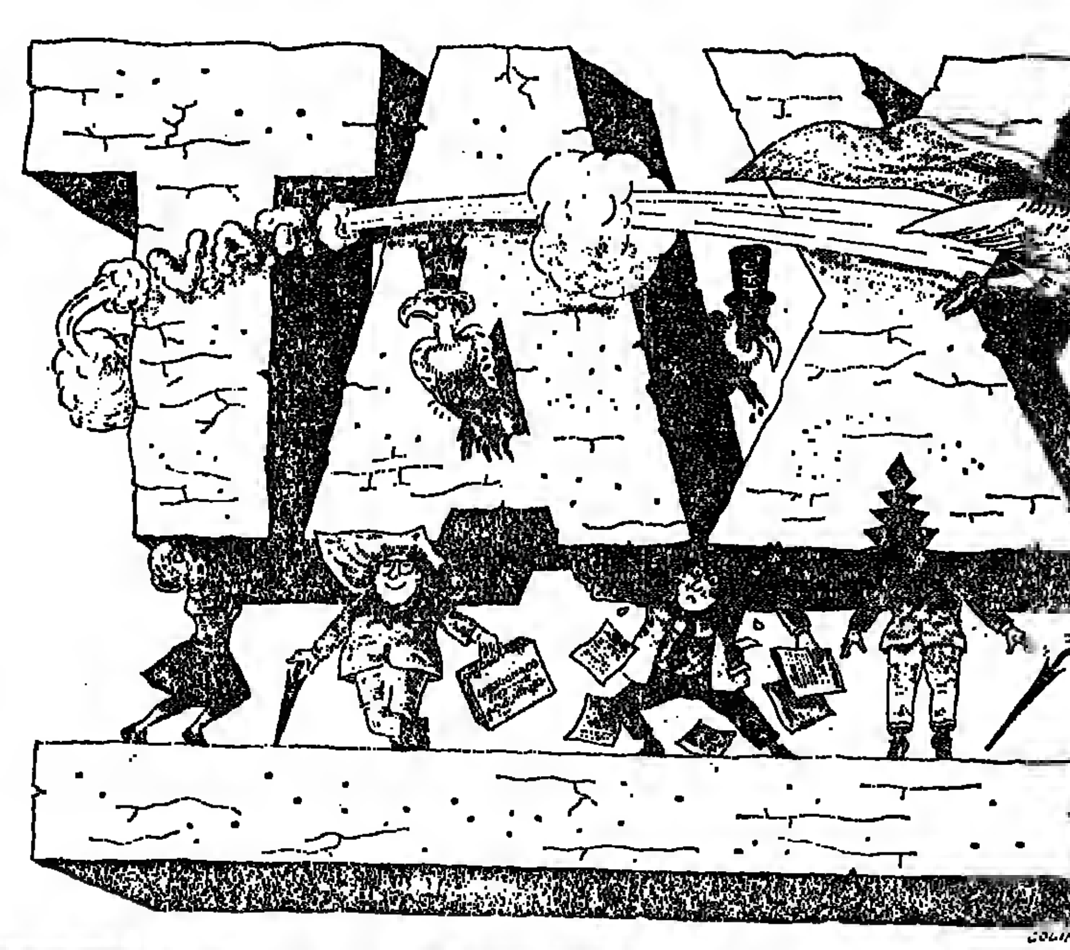

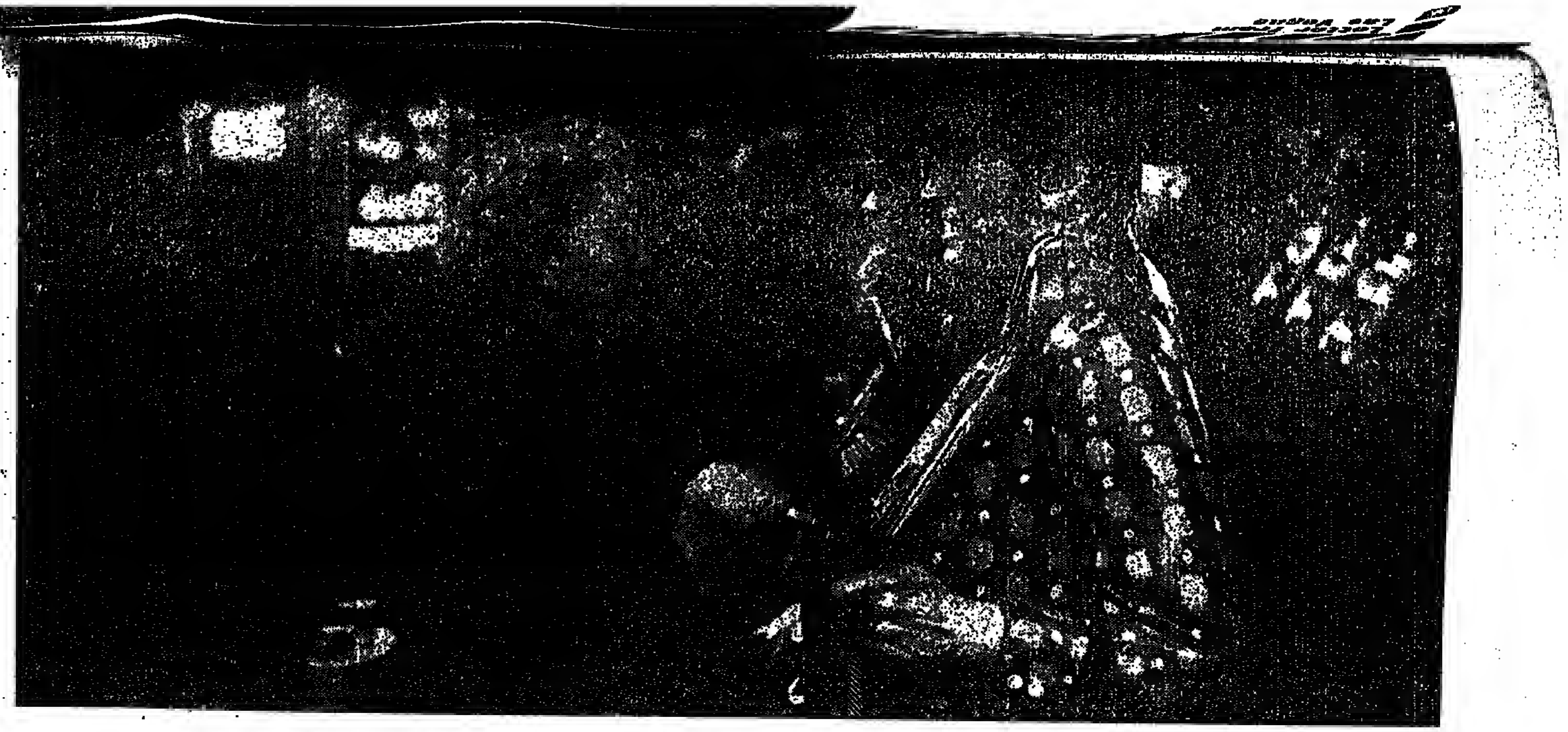

Elliott Erwitt/Magnum

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and processed just like the broiler chickens they eat. Middle America, cramped in together, seems to enjoy it.

The only way out of the restaurant is through the casino, with its glittering banks of slot machines and flickering cards. In a state of post-prandial good humour and relaxation, the audiences come to the tables like innocent swimmers to a whirlpool. Few are strong enough to swim through to the other side.

The odds may not seem so bad, but over an extended period of play they are killing. American roulette has two zeros, which make the odds something over 6 per cent in the house's favour. Blackjack (vingt-et-un) if properly played, can be reduced to about 1 per cent against you. But few can manage the mathematical feats required, and the house has a very big edge against most players. The slot machines pay out about 80 cents to the dollar, and though people are hitting the jackpot every minute, the longer you play, the more you are bound to lose.

Only at poker, which is also much in evidence at Las Vegas as the traditional game of the Wild West, is skill at a premium.

Nevada's casino turnover is about \$5,000m a year, indicating a gross income for the casino operators of about \$1,000m (actual losses being estimated at about a fifth of the total bet). Half of state expenditure comes from gambling.

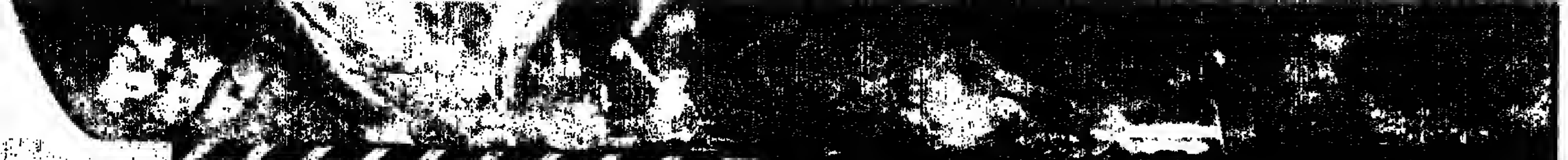
All the same, Las Vegas believes it gives the customers a square gamble. The operation is supervised all the time by the pit bosses, by inspectors, through hidden eyes set into the ceiling, by monitoring the roulette wheels, even by precision milling of the dice to 1-10,000th of an inch. Of course cheating will always creep in somewhere, because cheating and gambling go together like a horse and carriage. But the casinos do their best to eradicate it, and why not when they can make so much money legitimately.

If it is generally assumed that "the mob" runs the operation in Las Vegas, then one must grant that it does so extremely well.

The appeal of Las Vegas continues undiminished because, in its brash and vulgar way, it gives each and every visitor the chance of fulfilling the American dream. One may make a fortune overnight; the odds are against it, but that does not mean to say one cannot win in the short run.

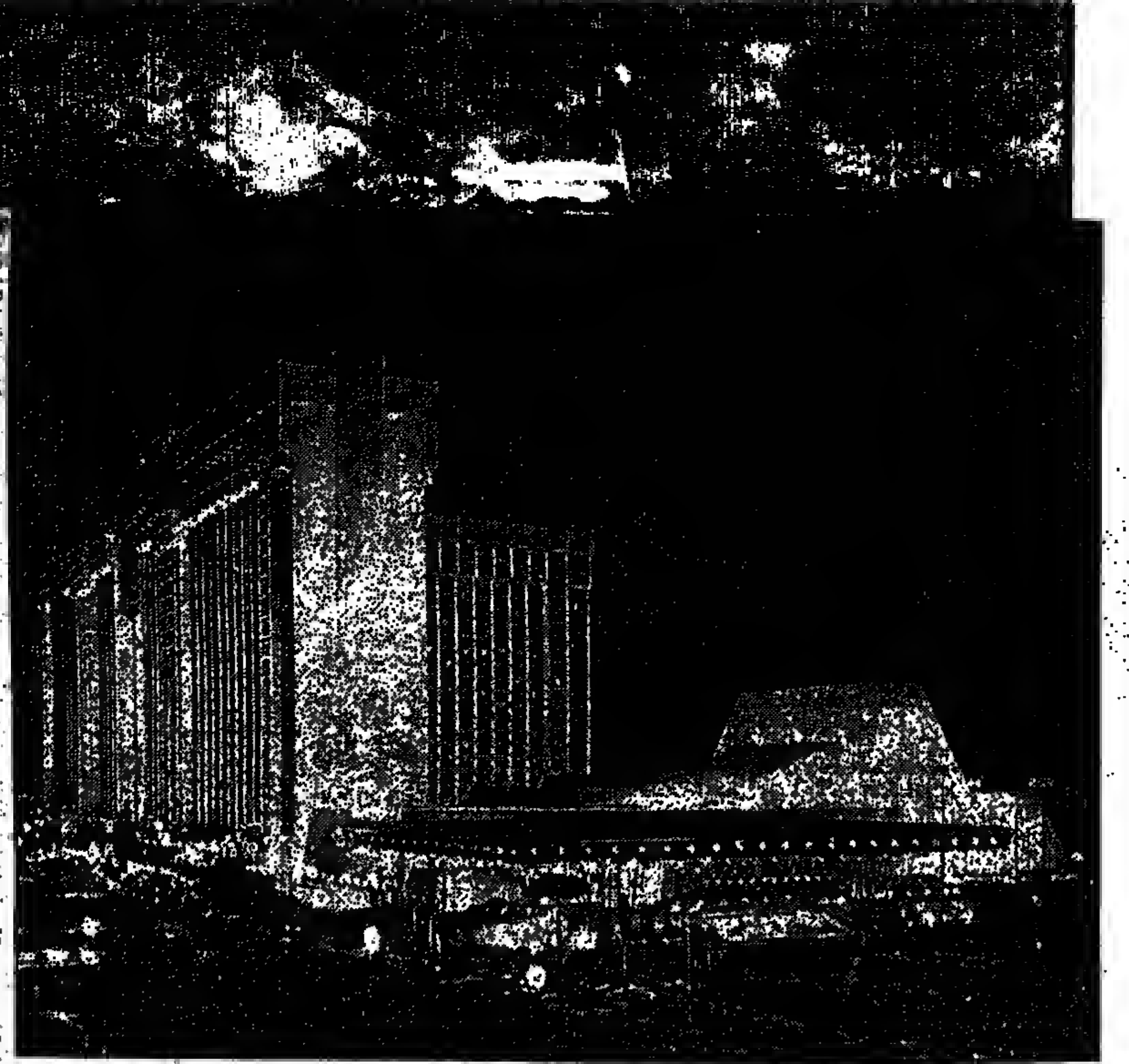
This is the illusion, at times of high inflation even more alluring, which brings in the customers. That is why, though most people leave town sadder but not necessarily wiser, there are always others rushing in to play. With its non-stop action, its worship of the mighty dollar, its super-vulgarity which sets a standard of its own, Las Vegas can't lose.

David Spanier
The Times



Letter from Las Vegas

Playing roulette and the one-armed bandit, computer-controlled floorshow, somewhere to leave the children, and the magnificent Grand Hotel.



Temple of the golden calf

Las Vegas, Las Vegas! When inflation is raging and recession is biting, what better place to be than the temple of the golden calf?

Las Vegas is just like it used to be, in this bicentenary year of the American revolution, only more so—louder, brighter, brassier; in a word which they would certainly understand on the famous Las Vegas strip, *vulgarissimo*.

Why go there at all? Well, gambling is one of the oldest human instincts. You want a bet, Las Vegas will bet you. It will win, of course. The odds are against you, and that is the only certainty in the kaleidoscope of gambling chances.

The latest addition to the strip is the mammoth new casino-hotel, the MGM Grand. Twenty-six storeys high, cost $100m, and built in just seven months.

Each new structure in Las Vegas has to outdo its predecessors. Caesar's Palace, with its mock-Roman fountains and its bar-girls in miniskirted togas used to be the last word in outrageousness.

Then along came Circus-Circus, a great circular casino above which a succession of trapeze artists and other entertainers perform their acts, while the gaming goes on below. This is what the world would have been like on Saturday nights, wrote the American pop-essayist Hunter Thompson, if the Nazis had won.

And now there is the MGM Grand, whose ground floor is a concourse half the size of La Place de la Concorde or Trafalgar Square, entirely filled with slot machines, black-jack and dice tables, and assorted temptations to lose your money.

"Bigness was the overriding consideration", says the hotel brochure. Too modest. A total of 4,200 guests can be accommodated, several thousand visitors can stroll through the banks of slot-machines. And this activity runs smoothly, efficiently, timelessly, day after day, night after night. For there are no clocks in the casinos in Las Vegas. The management wants the customers to keep on playing and paying.

Why do they keep on? one may ask. Las Vegas, first and foremost, gives value. Prices are not high by American standards. While a suite at the MGM can cost $50 a day and a penthouse several hundred, there are plenty of hotels and motels offering rooms for just a few dollars a night. Signs like "Breakfast 65 cents" or "All you can drink for $2.20" are typical of the good deals going.

The reason is that the management want people to spend their money at the gaming tables. They will offer all kinds of inducements, including cheap package holidays, to bring people into town.

In this respect, nothing is more revealing than the dinner shows. Every casino puts on the big Hollywood performers in cabaret—Presley or Sinatra (when he's not having one of his periodic disagreements), or television comedians whose special brand of entertainment consists of imitating other television comedians. The audience, given the usual all-American dinner, is packed in

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Photographs: Camera Press

...reparations... with contingency plans, which will have to be replaced by special regulations.

To bring a number of provisions more closely into line with the principles of the reform, such as the abolition of the local income tax (ILOR) for self-employed workers, and the collection, as a direct payment, of personal income tax.

To unclog the wheels of bureaucracy, by providing incentives, since no new men or resources were available.

On the question of the collection of direct taxes, it is true that the facility to make direct payment through the bank is a move in the direction of the principle of the mini-reform—to make the tax system more flexible. However, it has not been appreciated that, in practice, the old tax collectors have been replaced by more modern ones, adding new difficulties to old.

In addition, with regard to the regulations intended to correct the distorting effects of inflation, it has not proved possible to introduce measures to allow true inflation accounting. All too soon, in fact—and the closure of the Italian foreign exchange market, announced on January 21, confirms this—the problem will face us again.

Finally, the biggest doubts concern the incentives to the financial administration, to allow them to cope with the exceptional workload involved in the transition from the old to the new tax system. It is, in fact, an arrangement for a limited time, with limited funds and limited aims—yet it was impossible to do otherwise.

In only two years, tax reform has matured considerably, partly as a result of inflation, which has totally upset the scale of values on which a bearable level of taxation should be based. In fact it was necessary to give the taxpayer, already labouring under too heavy a tax burden, a little breathing space.

Despite a number of criticisms it must be conceded to Dr Visentini that the mini-reform is moving, however cautiously, in the right direction, with the object of eliminating, or at least minimizing, all the anomalies that came to light in applying the original, imperfect reform. It is imperfect, above all, because it hits employees but allows self-employed people to get away with evasion.

Tax evasion continues in Italy, in contrast to other countries where in place of evasion there is "legal evasion", or what we call "avoidance", the payment of the least possible tax without breaking the law.

In 1976 there is unlikely to be anything very new in the tax sector, particularly in direct taxes, where the recent measures (the Visentini mini-reform) have to some extent stabilized the situation. At most, there might be some further reductions, where the private individual is concerned, in the light of further inflation.

Renzo Villare
La Stampa

Community

Headlights for the future

The institutions of the European Community (Council, Commission and Parliament) have recently come to realize that they are less well equipped to think about the future than their own member states, or indeed than their own multinational corporations. Hence the Europe Plus Thirty project. The name is meant to suggest a way of thinking about Europe, or an institute or instrument for thinking about Europe, which always looks, say, 30 years ahead. In fact the figure 30 is only suggestive: what is meant is long-term forecasting: anything over five years.

In January, 1974, a resolution, ...ministers... mission to set up a research project to answer two sets of questions. First: "What . . . developments over the next 30 years . . . are likely to affect the future of Europe and whether . . . it would be possible to set up a long-term forecasting instrument?" Second: "Should the European Community create its own European office of technology assessment?"

The study was to take no more than a year, but was adequately funded with 500,000 units of account (more than £200,000). I was asked by the Commission to direct it, perhaps because ministerial service (in the former British Ministry of Housing and Local Government) had given me some experience as a consumer of forecasting.

The Commission wanted the producers of forecasts, who were bound to make up the majority of the 40-strong inquiry team, to be guided by a consumer since, however interesting a long-term forecast may be, unless it reaches decision-makers and helps them to make better decisions, there is no reason to spend public money on it.

The project was completed well within its budget (we spent 350,000 UAs) and the Europe Plus Thirty report, a text of about 400 pages, together with a 30-page summary, was handed to M Ortoli, the President of the Commission, on September 23 last year. The Commission has decided to publish it, with luck this summer, and is formulating its proposal for action to the Council, in accordance with the usual Community procedures.

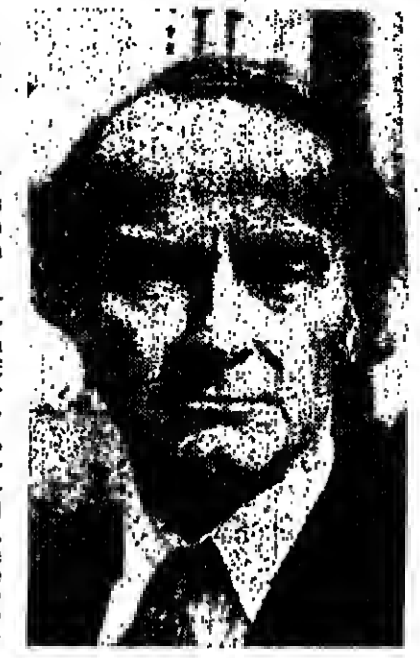
Our report starts with some epistemology. It distinguishes the logical status of prediction, which is a naive and folkloristic activity, of projection, which is naive in so far as it is taken to resemble or justify prediction, and of the prudent, indeed necessary, activities of speculating about the future, discoursing upon interdependences, and identifying the clearly impossible. The nutshell lies in the difference between *will*, which is the language of prediction and is appropriate to clairvoyants; *shall*, which is the language of decision and is appropriate to the elected of the people; and *would*, which is the language of forecasting. We have been concerned only with the last.

The report next considers the forecasting already done by the European Commission (not much, and mostly short term and unco-ordinated), by governments (a great deal), and by other institutions within the Community. It then outlines the kind of integrated, long-term forecasting which can be relevant to political decisions now. Integrated, because the further you look ahead the less you can talk about any one thing without talking about world, and especially the new Europe, is gasping under the smother of the short term.

Next we reported on the state of the art of forecasting. We then examined 16 of the separate strands which go to make up Europe's fabric, ranging from the climatic and demographic through the economic and industrial to the social and political, and the extent to which a permanent instrument could, and if so should, undertake or obtain forecasting about each of them. These sections of the report contain the factual and the theoretical structures without which administrative and institutional proposals can be only capricious; they are therefore long.

The proposals on the other hand are terse and, considering that we are talking of the future of 250 million people, modest. Political and economic union would be neither the aim nor the condition of a permanent forecasting instrument; it would be among its objects of study.

In answer to the Council's first question, we have recommended that there should be a permanent long-term forecasting instrument to serve the Commission and Parliament of the European Communities and, as far as the latter may desire it, the member governments. On the other hand, there should not be a separate office of technology assessment; the forecasting instrument should do that too.



Wayland Kennet

We suggest three alternative sizes for the instrument, all expressed in the number of full-time professional workers, from a variety of disciplines, to be reached after a ... and the largest would be 70, at 5.6m UAs. These costings are based on the Commission's own experience.

We say that 70 would be best, 50 would be well worth it, but below 30 it might not be worth doing; it could be dangerous if people thought something had been achieved when it had not. So the total cost over 10 years of the minimum respectable outfit, including in that a five-year build-up period, would be less than 20m UAs.

Whatever the size of the instrument, it would work in three ways: by following the mass of relevant work which is already done, by letting contracts to existing institutions for tailor-made research and by doing its own work "in-house"; this last would be especially the "integration" or synthesis. The instrument would be governed by a board consisting of people from relevant backgrounds, appointed by the Commission but having full academic independence. Publication of all work would be the general rule.

The Europe Plus Thirty report awaits a decision from the authority which called for it. Reflex cheeseparing may urge no; better to go on forking out tens or hundreds of millions to rectify mistakes than single millions for long-term analyses. Political and bureaucratic timidity may whisper no; it might become too powerful.

This would be a misunderstanding; the report devoted some care to ensuring that a permanent instrument could not usurp the democratically controlled planning and decision function. Superficial knowledge will say no: "Forecasts are always wrong". This is once again the confusion, which has become tediously familiar to us, between forecasting and prediction. Forecasting is done on a very large scale by and for all advanced nation states especially Japan, the Soviet Union and the United States, by all the great multinational corporations, and will probably be done by the Organization for Economic Cooperation and Development. We do not think they do it out of modish folly. If one wants the European Community to stand up to the competition, it too must do it.

Historical insight, professional knowledge, and political vision will probably therefore say yes, yes and yes again; at least let the poor old jalopy have some headlights; everybody else has them. What Europe Plus Thirty offers is a pair of West European headlights for looking at the future. If we do not acquire them, we shall, whether we know it or not, be using those which are affixed to the Japanese, American or Russian vehicles.

Wayland Kennet

Commentary

Extreme caution over plan to check decline

The Tindemans report on European Union has evoked extremely cautious reactions in most Community capitals. This alone gives grounds for expecting that the debate on the Belgian Prime Minister's proposals for a "qualitative change" of the Community will have difficulty in getting under way.

Almost every government has other concerns at present than grappling with problems of the future of Europe. Nowhere in Europe, either, can elections be won with this theme.

It will therefore depend largely on the skill of the Luxembourg head of government, Mr Gaston Thorn, whether the Tindemans report suffers the same fate as many other plans and studies before it. For the first six months of this year Mr Thorn is president of the European Council and at the same time presides over the preparatory work of the foreign ministers in Brussels. Thus he can exert considerable influence in ensuring that the report does not just receive a first class burial.

Mr Tindemans: sacrificing his weekends for a year.

For a whole year the Belgian Prime Minister has been sacrificing his weekends to find a way of checking the decline of the European Community and imparting a new momentum to European Union. His conclusion is not surprising: progress in the Community is possible only if the political will to cooperate is strengthened. It is a prerequisite for this that the various beginnings of a Community policy should again be viewed in a broader political perspective.

There is not doubt that political union will not automatically follow from assumed or actual material economic pressures. People will have to realize that Europe has a future only if it commits itself both internally and in its representation to the outside world, to at least a minimum of common objectives.

The Tindemans report at last presents an opportunity to give substance to the empty formula of European Union coined by the heads of government in 1972. The report refrains from laying down long-term Utopian objectives of constitutional plans. Instead it tries to indicate a practical way out of the fragmentation of Community activities and to create the preconditions for gradually making political decision-making in the Community easier.

Mr Thorn: his skill will largely decide plan's future.

Nevertheless, it is right to be sceptical about whether even this pragmatic approach does not go far beyond the present limited agreement among all Community governments. Mr Tindemans has admitted as much himself. An attempt merely to reduce the views and wishes put to him in his talks in the various capitals to a common denominator would not have been very encouraging.

Day-to-day events in Brussels show that the Community governments are seldom prepared to make sacrifices which are not directly balanced by equivalent concessions by their partners. They find it more than ever difficult to renounce national interests for the sake of the Community.

Such renunciations could be made easier perhaps by a democratic anchoring of European decision-making. But even after the decision of principle that there shall be direct elections to the Strasbourg Parliament, this process is still only in its infancy.

In any case the Tindemans report deserves wide and thorough discussion, not only in the appropriate committees of the Community but also by European public opinion. Without a new consciousness of the goals of European Union the Community will not be able to extract itself from its difficulties.

Bonn

Housing is no longer cause with student activists

West Germany has already experienced problems with squatters although, in comparison with events in other countries, on a minor scale.

The first squat in an empty house took place on the night of September 19, 1970, in Frankfurt's West End, at 47 Eppsteiner Strasse. "Casa è occupata", proclaimed a banner in Italian on the wall of the dilapidated four-storey tenement building. The squatters, Marxist students, wished to relate their action to the poor housing conditions of foreign workers and to land speculation, and in this way to justify it to the public.

In the next few years Frankfurt was the most important, indeed almost the only, battleground for these conflicts. Hamburg, Munich, Berlin and one or two smaller cities experienced only isolated squats lasting for a few days.

In Frankfurt 23 tenement buildings were occupied for a time. In some cases illegal occupation gathered such momentum that the families already living in the buildings, chiefly foreign workers, suddenly refused—for political reasons—to pay their rent. In most cases the buildings involved had been bought up for demolition (to make way for multi-storey office blocks).

The police intervened, in conjunction with the courts and the city authorities, only if the owner of the building officially requested such action. Seven properties were forcibly cleared in this way and in some cases thousands of sympathizers gathered to defend the buildings, engaging the police in street battles lasting for hours.

With other buildings the owners or the city authorities succeeded in reaching agreement with the squatters on the payment of a small amount of rent and on a limited period of occupancy until permission for demolition was given. Sometimes the owners (some of them Israeli citizens) refused to allow steps to be taken for fear of reprisals by the squatters.

Most of the 23 temporarily occupied houses have long since been abandoned by the original squatters. Some of the buildings have become established meeting places for radical students and school children. Others seem, in the course of time, to have become centres for weapons and drugs. Some dozen have been demolished, while others have been abandoned by their occupants because they could no longer be heated.

Only two houses in Frankfurt are described by the authorities as being illegally occupied. There is no fear of new squats. Student action has shifted elsewhere. The arrival of illegal immigrants has fallen off rapidly as a result of the recession.

Apart from about 2,000 newly-built dwellings which are still empty, Frankfurt has well over 100 uninhabited old houses, which neither the owners nor any squatters bother about.

Joachim Neander
Die Welt

A charge by Frankfurt police supported by water cannon against a demonstration held in support of squatters two years ago. Frankfurt was a centre of conflict over squatters' rights.

In prospect

Wine war adds to pricing complexities

Agricultural affairs and the Mediterranean policy will be prominent in Community business this month. The ministers of agriculture will meet on two occasions, on February 16 and 17 and then on February 23 and 24, to agree on farm prices for the coming year.

As on previous occasions, this will be no simple exercise: for different reasons, the member states are far from satisfied with the Commission's proposals. Their negotiations will not be made easier by the increasingly acrimonious wine dispute between France and Italy, which is closely bound up with farm prices and shows no sign of solution. It is confronting the EEC with a threat of internecine trade war which it cannot afford to ignore.

It is clear that the continuing crisis in several member states, which was reflected towards the end of January by the weaker showing on foreign exchange markets of the franc and the lira in particular, is not conducive to a settlement between France and Italy. With the prevailing tension, one cannot discount the possibility of the Community having to cope with fresh incidents posing varyingly serious threats to the cohesion of the customs union.

It is in this condition, weakened by the persistence of the crisis, that the Community will soon have to make clear its intentions about future relations with its Mediterranean neighbours. So far at least, the threats to its prosperity have not had the effect of freezing it into inaction: cooperation agreements with the three Maghreb countries have been concluded after two years of tough negotiations and will be signed by late February or early March, while talks are about to begin on making similar arrangements with the Machrek countries—Egypt, Jordan, Lebanon and Syria.

A less simple matter before the Nine is the need to give an early indication whether they are prepared to consider accession by Greece and Spain in the fairly near future. Greece has put forward its application and the foreign ministers this month will begin their examination of the Commission's opinion of the difficulties involved.

The prospect of very close relations with Spain, a country which bears comparison with the present member states in terms of agricultural and industrial potential, raises political and economic issues of a very different order. Assuming the new regime in Madrid establishes institutions compatible with the democratic traditions which the EEC countries value, it remains to be seen when and under what conditions the Nine will be able to absorb such a giant.

It is a confident prediction that Spain's membership would cause serious disruption to the agricultural common market, which is already so precariously balanced, particularly as regards produce from the southern regions. By the date of the next meeting, February 9, the foreign ministers of the Nine will have a clearer idea of the Madrid Government's intentions; it will then fall to them to indicate how they intend to respond.

The four commissions set up by the conference on economic cooperation start work on February 11 and the Nine will need to add some substance to their sadly rudimentary position on the subject, that is if they view united Europe in any more than a passive role in this north-south dialogue. Finally, the foreign ministers will be beginning to make preparations for the European Council to be held on April 1 and 2 in Luxembourg, studying the proposals contained in the Tindemans report and seeking to establish clear procedures for direct elections to the European Parliament.

Looking back

January 7. The Tindemans report on European union is made public. The Belgian Prime Minister's proposals include a recommendation that the member states whose economic circumstances are sufficiently stable should press ahead with the process of economic and monetary integration without waiting for those lagging behind, namely Britain, Italy and the Irish Republic, thus giving official sanction to the idea of differential progress towards union.

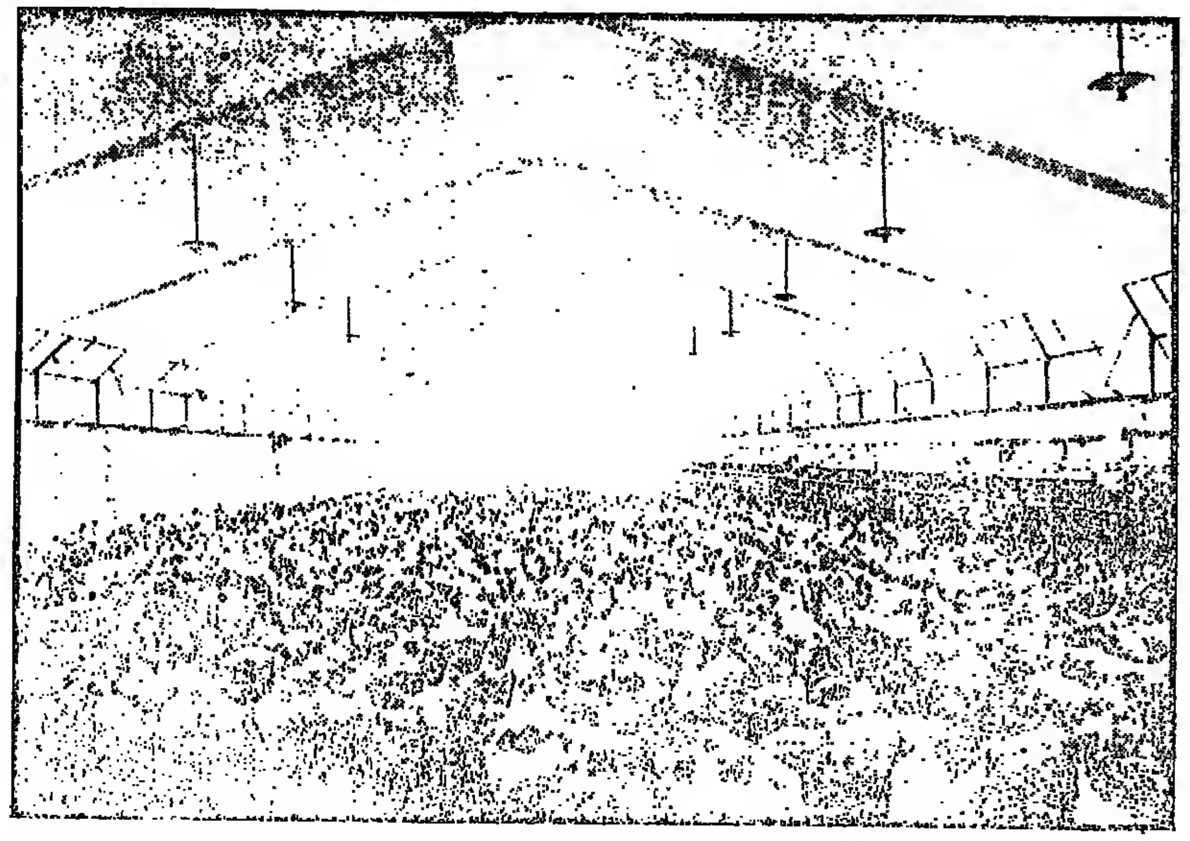
January 8 and 9. Conclusion of the negotiations over the signing of a cooperation agreement between the Community and Morocco and Tunisia.

January 15. The Commission proposes a minimum safeguard price of \$7 a barrel for imported oil to ensure the profitability of capital expenditure on developing alternative energy resources.

January 17. Conclusion of the negotiations over the signing of a cooperation agreement between the Community and Algeria.

January 19 and 20. Renewed hostilities in the wine war between France and Italy, which is the subject of fruitless discussions between the ministers of agriculture.

January 20. The foreign ministers [illegible] towards resumption of trade negotiations with Spain.



Modern methods on a farm near Rome. But the ministers of agriculture will face problems almost equal to whether the chicken or egg came first.

Rome

Deceptive air of calm hides tensions

The activities of squatters no longer get much coverage in the Italian newspapers. Squatting has become such a frequent affair, especially in the large cities, that it is no longer news. For some time even evictions from occupied buildings have become less dramatic, with the police managing to remove the offenders, in most cases, by the force of persuasion.

In support of the right which they claim to a roof over their heads, the homeless are now using other forms of protest, such as the recent setting up of a tented encampment—"tentopolis", as it was called—in the Piazza del Campidoglio in front of the Rome city hall.

But the apparent air of calm should deceive no one. The underlying tensions are still there, and the authorities are still afraid there will be serious trouble, such as the disturbances of September 1974 in San Basilio (a quarter adjoining one of the ancient gateways into Rome) which resulted in one death and many injuries.

The housing problem is difficult to solve because of serious deficiencies in the building sector. A report by the Istituto di Credito Fondiario puts at 13 million the number of rooms that will need to be provided in Italy by 1980, while according to the National Research Council there is a shortage of more than 15 million rooms. To meet such a requirement, at least 350,000 to 380,000 dwellings a year would need to be built.

Instead, since 1972 production has remained static at about 150,000 to 180,000 dwellings a year—less than half of the real requirement—and initial forecasts for this year do not suggest there will be any substantial improvement. What is more, the deficiency is mainly in large urban centres and, in general, those municipalities with more than 20,000 inhabitants.

The building crisis is aggravated by the lack of interest shown by the public authorities, so that municipal housing accounts for only 3.5 per cent to 4 per cent of all houses built.

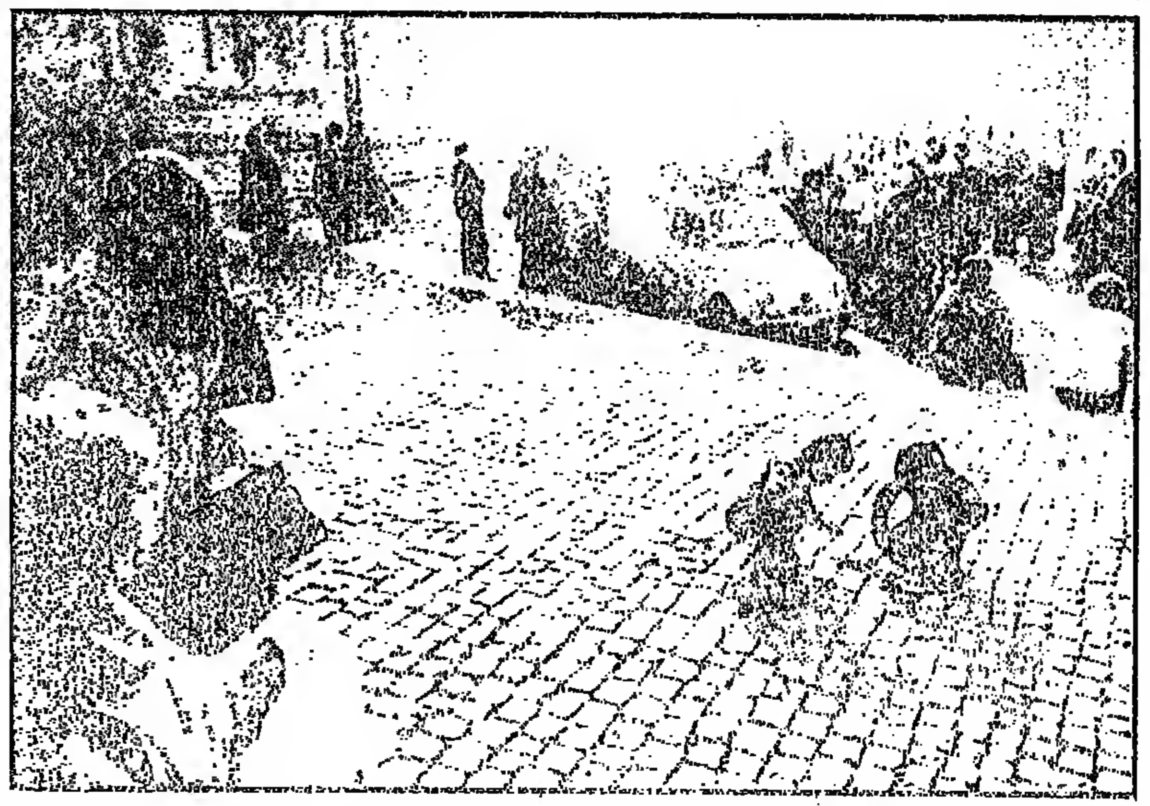
The price of housing has risen very rapidly, though there are marked differences between one region or city and another. In the larger cities in particular, prices have increased by as much as 100 per cent.

Various factors have contributed to this: the increase in construction costs (30 per cent to 35 per cent on average over the past two years); the fall in supply, which has been inversely proportional to the rise in demand; and, of course, inflation, which has driven a number of people to invest in property, which has been considered the most attractive hedge.

But there is also another, more serious explanation. In the main cities, Italian building constructors have abandoned the popular market and concentrated on catering for the rich. One has only to read the advertisements in the newspapers, to find them abounding with adjectives such as "luxurious", "prestigious", "fashionable", and so on.

The result is that the number of homeless is increasing enormously (unofficial figures speak of about 90,000). Large numbers of working and lower middle class people (labourers, craftsmen and office workers) are not only unable to buy one of the more modest houses but are also unable to keep pace with the constant increase in rents. In many cases, therefore, all that the less well-off have to look forward to is life in a shanty town or squatting, and illegal housing of the latter sort has already provided more than 70,000 lodgings in recent years.

Emilio Pucci
La Stampa



Children play during a protest for better housing by 2,500 shanty dwellers in the Piazza del Campidoglio, outside the Rome city hall, in 1974.

In England and Wales there are about 30,000 squatters; in France there are no more than a few dozen families squatting in the entire country; German students are no longer occupying tenements but in Italy the problem is likely to become serious again

London

Call for change in laws

Squatting in Britain started seven years ago as a quasi-political campaign to help to solve the growing problem of homeless families. It aimed to force local authorities to allow them to make temporary use of some of the hundreds of thousands of publicly owned houses which were lying empty and idle, sometimes for years on end, while awaiting redevelopment.

At first the movement progressed slowly, but in a fairly organized, responsible way. Official squatting groups were set up which entered into legal agreements with local authorities. In return for rent-free use of the empty houses, the squatters undertook to carry out essential repairs, to pay for rates, electricity and gas and to leave when work was about to begin on demolition or rehabilitation.

Squatting became almost respectable. It drew attention to the plight of the homeless and attracted the sympathy of the public. But within the past two years a new type of squatter has begun to jump on the bandwagon—young politically motivated single people, often from educated, middle-class families, who were seeking a new life style and a means of confrontation with authority rather than simply a roof over their heads.

The new wave of squatters began to occupy buildings illegally and to resist attempts to evict them by putting up barricades and staging pitched battles with the authorities. Some who had entered into legal agreements refused to leave when the agreement came to an end, causing costly delays to redevelopment programmes and making local authorities wary of entering into new agreements even with responsible official groups.

Considerable publicity was given to isolated cases of squatters moving into newly decorated homes that were about to be handed over to needy families on council housing waiting lists. There were reports of wanton damage, drug taking and sex orgies by squatters. Fears were voiced that squatters would move into private homes while the owners were away on holiday or simply out shopping. Public sympathy turned against the squatters.

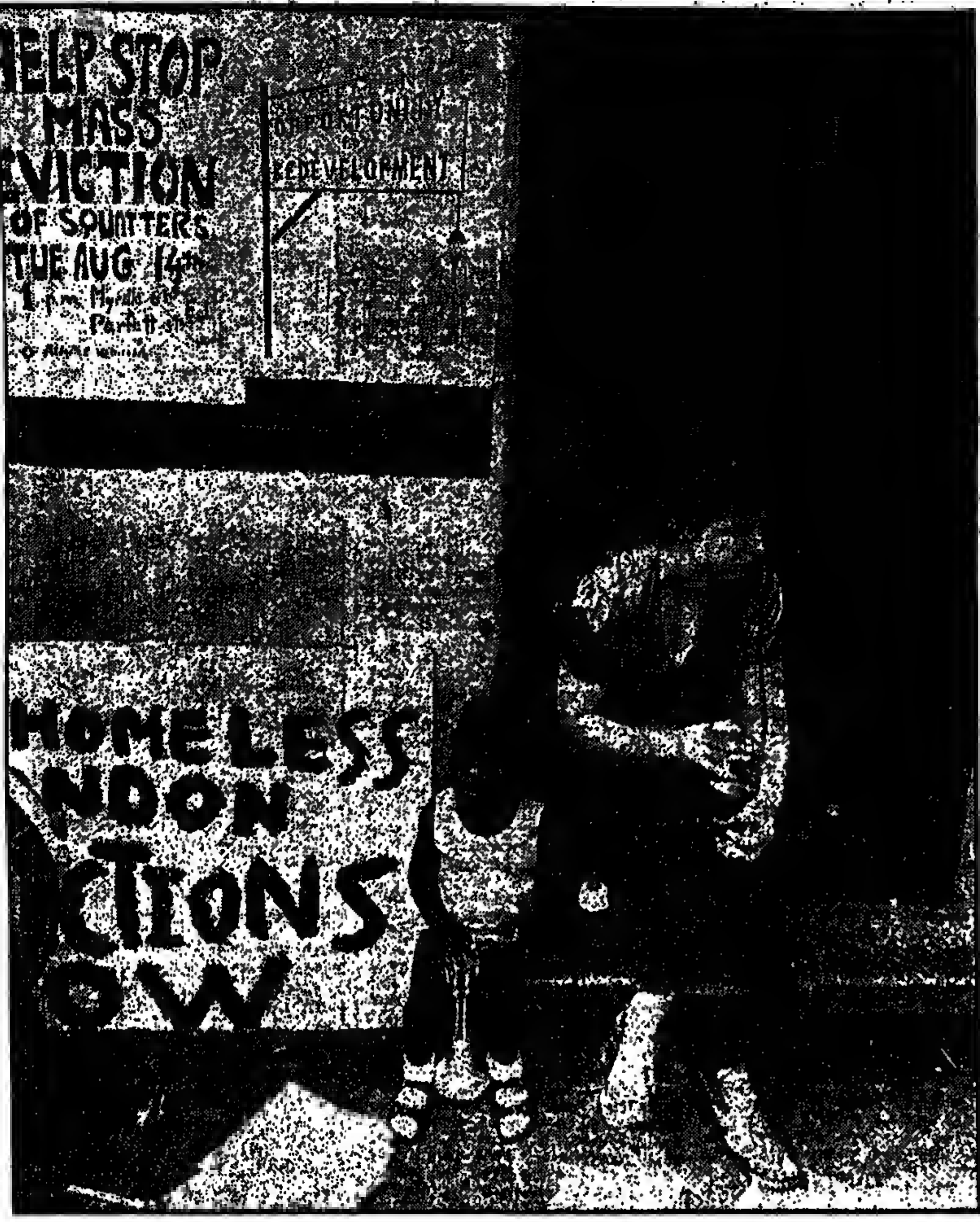
There are now an estimated 30,000 squatters in England and Wales, about 25,000 of whom are in London where the housing shortage is most severe. Just over half are illegal squatters. Nearly all are in publicly owned properties. There have been increasing calls recently for a change in the law to prevent illegal squatting and to facilitate repossession.

Squatting, as such, is not a criminal offence in England and Wales and there is therefore no obligation for the police to intervene unless there is a possibility of a breach of the peace, or unless forcible entry or criminal damage can be proved. The eviction of squatters by force is prohibited by law and the owners of occupied buildings must therefore seek a court order before they can regain possession. This is a costly and cumbersome process which can take up to six months to complete.

Two years ago the Law Commission produced an interim report on proposed changes in the law relating to conspiracy and trespass, which would have a direct effect on squatting. They proposed that in future it should be a criminal offence to remain on property unlawfully after being asked to leave by the owner, or to enter a property by force without lawful authority, adversely to anyone in physical occupation of it or entitled to occupy it.

But the first of these proposals is expected to be reduced drastically in scope or dropped completely when the commission's final report is published, probably at the end of this month or in early March. The local authorities in London are opposed to squatting being made a criminal offence. They simply want a speedier, more efficient, process for regaining possession of unlawfully occupied properties. The police are also reluctant to become involved in property disputes, where ownership is often difficult to establish.

Diana Geddes
The Times



Paris

Only a few drop-outs run the risk

Early this winter, three houses in Tours which had been empty for several years and were scheduled for demolition under a development scheme but still standing because of lack of funds, were occupied by young people. A little later, another group of drop-outs set up home in an eighteenth-century house in Metz which was due to be dismantled to make room for a shopping centre. These two minor items of news passed more or less unnoticed.

In France, the word squatting has little chance of ever being included in the dictionary, although squatter does feature in *Larousse* as "homeless person who occupies a vacant dwelling with his family without authorization". The critical phase of this type of occupation of buildings ended several years ago.

Militants of the "red relief brigade", accompanying single mothers or immigrant workers, no longer invade the home of someone like Rika Zarai, the singer, to protest against the housing difficulties in the Parisian suburbs, but already the scandal to which this gave rise at the time—it was January 1, 1972—was only the rearguard action of an urban guerrilla war which had started in May, 1968.

Why is it, then, that there are no more than a few dozen families of real squatters in the entire country? The main reason is probably that those who occupy buildings run the risk of severe sanctions, including indictment for illegal entry. The full weight of these sanctions has really only been brought to bear in cases involving students, left and far left militants and unmarried foreign workers.

Under an Act passed on December 3, 1956—during the worst period of the property crisis—families can be granted at least three months' respite from eviction, notably on the grounds of weather conditions. In practice, evictions are not put into effect during the winter months.

Nevertheless, the old districts of Paris, like the 13th *arrondissement* and the Marais *quartier*, were the scenes of real purges by the police. The procedure was simple: taking advantage of the absence of the breadwinners, the police or, in some cases, strong-arm gangs hired by property companies, gained entry to flats a few hours after dawn and then tore out the doors, windows and sometimes the floors under the eyes of the women and children who had remained at home.

A police bus—*panier à salade*—would be standing by to remove the occupants and their luggage to any one of a number of halfway houses to await compulsory rehousing in hostels or housing estates. Still less fortunate were the African workers in the rue Quincampoix, near the place du Châtelet, who found themselves ejected without ceremony from their vertical shanty homes and forced to seek shelter under the bridges of the Seine or even in the local sleazy hotels used by prostitutes. Jean-Paul Sartre, the parties of the left and the unions denounced these methods as unworthy of a civilized country.

Today, the elimination of insanitary housing, the bulldozing of shanty towns, stricter measures to combat illegal immigration and the slower pace of urban redevelopment are combining to push the squatters out of the major conurbations. French squatters, whose sources of income are of less doubtful legality than those of the hippy communities in English-speaking countries, have followed the advice of Jean-Jacques Rousseau and opted for a return to the land.

They have retreated to the Larzac in Auvergne, where they have received only a luke-warm, rather mocking, welcome from the local people, the Vosges or the warmer climate of the south, where it is easier to grow tomatoes than in a Parisian back yard. They generally make for abandoned villages, occupying ruined farmhouses. At this stage, the phenomenon ceases to be squatting and becomes renovation.

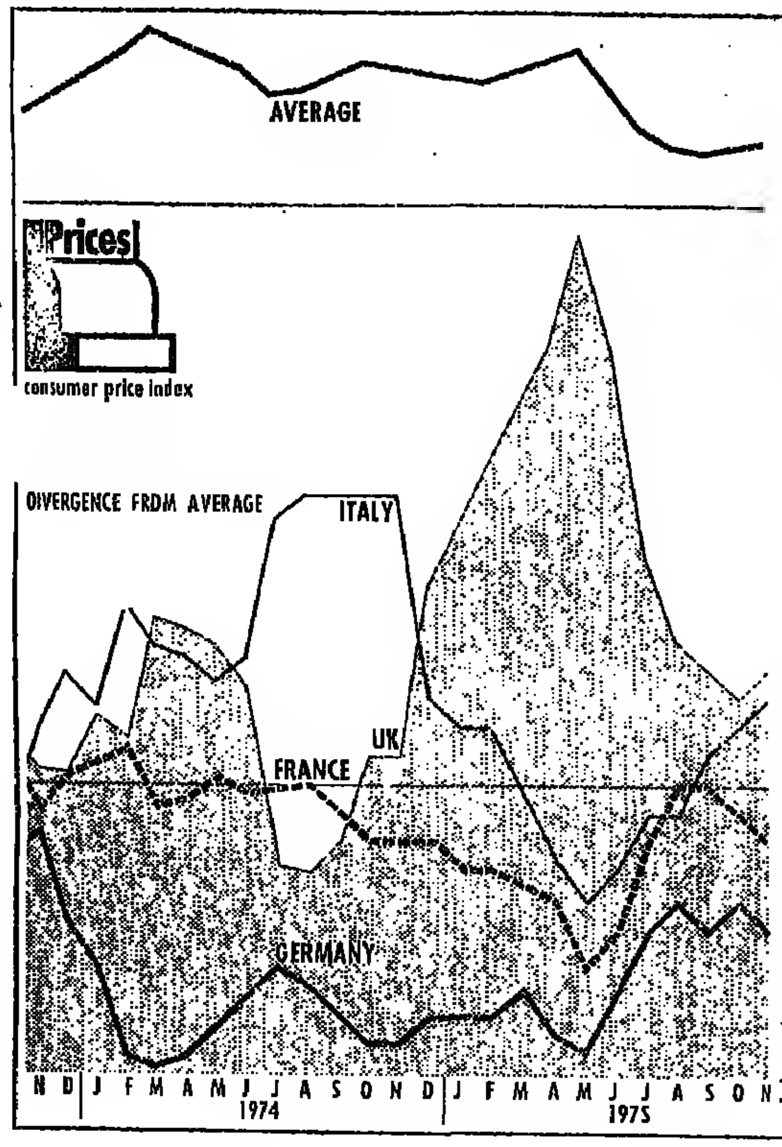
There has been, however, something of a spate of political occupations in recent weeks. The youth organizations of the Communist Party, in particular, have been lending support to this type of action by young families seeking to draw attention to their demands for both work and housing.

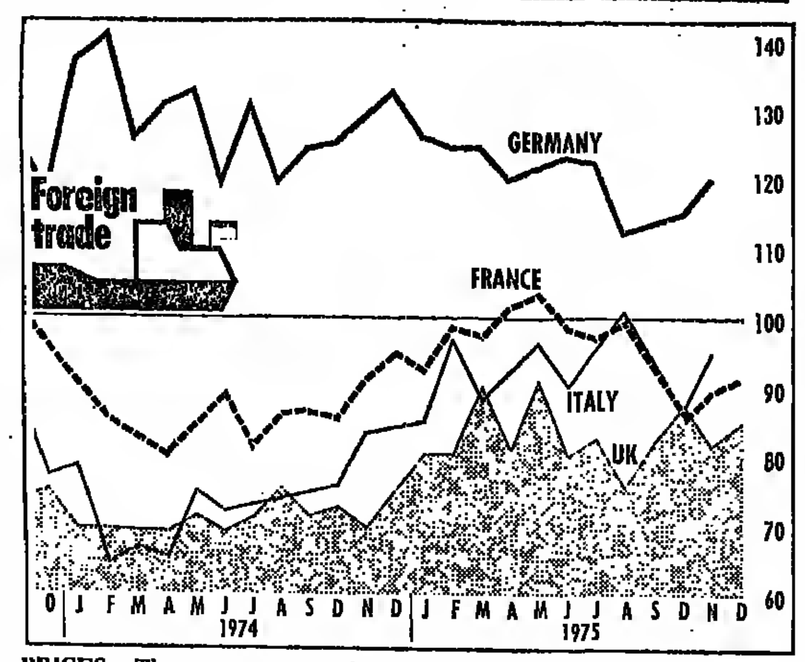
Whether or not rising unemployment leads to more widespread squatting, one thing is certain: in Tours and Metz, the authorities adopted a more flexible attitude. In Metz, they even ordered the owners of the building to replace the missing doors and windows immediately. A sign of the times.

Jean Benoît
Le Monde

Industry doing better but still at low level

Excellent ●●● / Good ●● / Fairly good ● / Poor ○ / Bad ○○ / Very bad ○○○ / Prev. performance [○]	Rate of growth	Quality of growth: Prices	Quality of growth: Unemployment	Maintenance of growth: Productive capacity	Maintenance of growth: Foreign trade	Maintenance of growth: Vulnerability to external factors (1)
GERMANY	● [○]	● [●]	○○ [○○]	● [○]	●● [●●]	● [●]
FRANCE	● [○]	○ [○○]	○○ [○○]	○ [○]	○ [○]	● [●]
ITALY	○ [○○]	[○○] [○]	○○ [○○]	○○ [○○]	○ [●]	○○ [○]
BRITAIN	○○ [○]	○○ [○○]	○○ [○○]	○○○ [○○○]	○○ [○○]	○○○ [○○○]



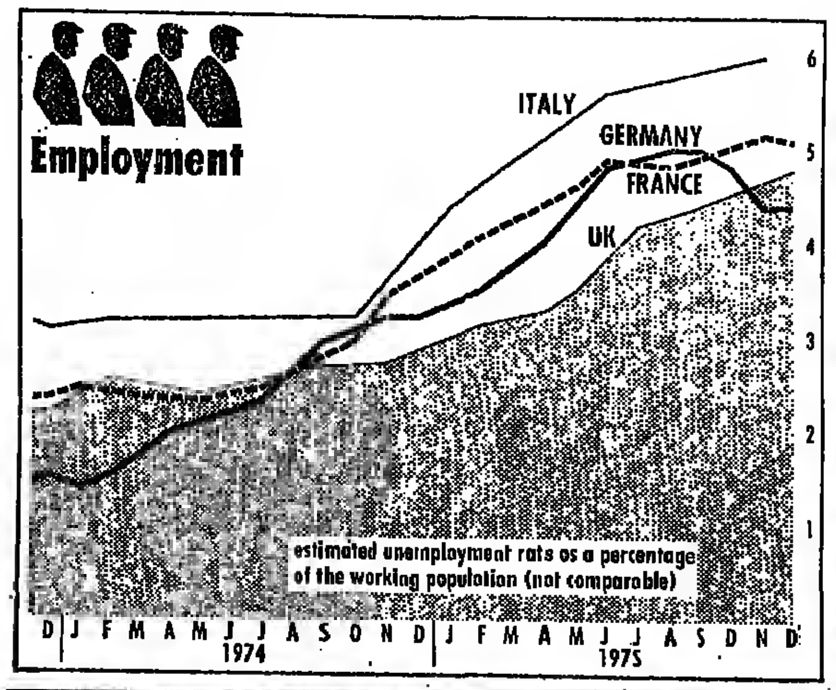


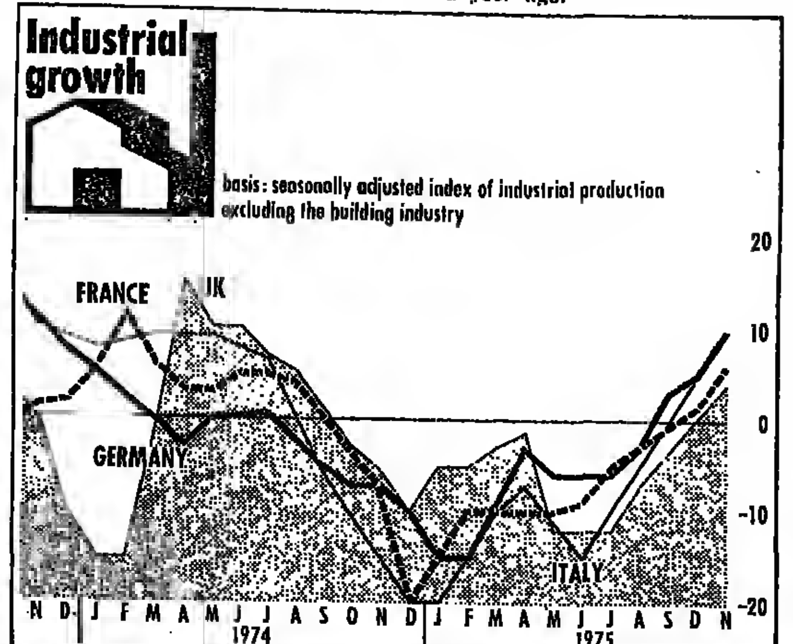
PRICES.—The average rate of inflation for the four countries, which fell steadily from the April peak of 15 per cent to about 9 per cent in August-September, is drifting upwards again, to 9.7 per cent in October and 10.4 per cent in November. The rise is not caused by prices in Germany and France, whose rates are still at 5 per cent and 9 per cent respectively, but by the renewed upward trend in November in Italy, from 12 per cent to 13 per cent, and Britain, from 13 per cent to 15 per cent.

EMPLOYMENT.—Seasonally adjusted unemployment continues to rise in Britain where the rate was 4.8 per cent of the working population in November; it is steadying in France at 5.1 per cent. In Germany on the other hand, from an August-September peak of 5 per cent, it has fallen to 4.4 per cent in December (although the crude statistics show a trend in the opposite direction).

TRADE.—The outstanding feature is Germany's rate of cover of imports by exports, which has achieved an unbroken rise since August from 110 per cent to 120 per cent. After its good performance during the summer, France has fallen back, but the rate of cover is still high at almost 90 per cent. Italy is still faring better, at about 95 per cent, while Britain's returns are significantly poorer at 85 per cent. (Rates calculated on an fob-cif basis.)

INDUSTRIAL GROWTH. — The graph shows a simultaneous rise in industrial production in all four countries led by Germany with a rate approaching 10 per cent, while France is running at 6 per cent and even Britain and Italy are managing 5 per cent. However, it should not be forgotten that, except in Germany, the level of production is still between 5 and 8 per cent down on a year ago.





For the first time for many months industrial production is rising simultaneously in all four countries, having checked its decline towards the middle of 1975.

Nevertheless, a distinction must be made between rates and levels of production, since the latter are still low. In France, for instance, industrial production was running at 5 per cent less in November, 1975, than a year previously. In Italy it was turning at 8 per cent less and in Britain at 6 per cent less. West Germany's production was about the same as in November, 1974. It should not be forgotten that West Germany has been in recession for longer than the other countries and that the rate of use of productive capacity is scarcely above 80 per cent.

In the United States, although progress towards an improvement is more advanced than in Europe, production in November, 1975, was still 4 per cent below November, 1974. The United States is by way of acting as scout for the western world, but the growth rate of industrial production, which had reached 15 per cent (projected over a year) in September, fell back again towards 10 per cent by the end of 1975.

This rapid recovery in the United States is attributable in large measure to replenishing of stocks to normal levels and cannot be expected to last, but what is more worrying is the difficulty being experienced in returning to a normal growth rate. We have already noted in an earlier issue that the recovery, for all its brilliance, is unlikely to last because there has been no revival of investment.

The most recent figures confirm this assessment. Demand for credit remains weak and the money supply is not growing at the rate that a normal economic improvement would have produced; it is only running at some 2 or 3 per cent against the 8 per cent counted on by the American monetary authorities. Liquidity, on the other hand, remains high, given the healthy level of savings.

Consequently, we are not seeing the rise in interest rates predicted last year on the basis of the expectation that the combined financing requirements of an enormous budget deficit and renewed industrial investment would strain resources by early 1976. On the contrary, rates are once again in sharp decline. This is undoubtedly the salient feature of the past few months and a surprising one in many respects, particularly when one remembers that the rate of inflation is still about 7 per cent.

The downward trend started at the end of 1975 and is gathering pace this year: the Federal Funds rate is down from 5 per cent to 4.5 per cent, the First National City Bank has just cut a quarter of a point off its prime rate to 6.75 per cent and the discount rate has recently come down from 6 per cent to 5.5 per cent. The European countries cannot avoid following the trend. Even Britain, where the pound is not yet out of the wood, has felt obliged to bring the minimum lending rate down little by little with three recent reductions of a quarter of a point from 11.5 per cent to 10.5 per cent.

As the decline in the cost of short-term money has taken a hold, so have expectations of a reversal fallen and with them medium-term rates, although more slowly. This has alleviated the capital costs of industry and improved profitability and must be counted among the main causes of the improvement on stock exchanges, always a traditional forerunner of a recovery.

The monetary and financial context is therefore favourable, although perhaps a little artificially so from the investors' point of view. Will they take the bait and pave the way for economic revival? No answer can be given yet to this question, neither in the United States nor in the European countries, particularly the two which could be said to be the pacemakers at present, France and Germany. Apart from the essentially tempor-

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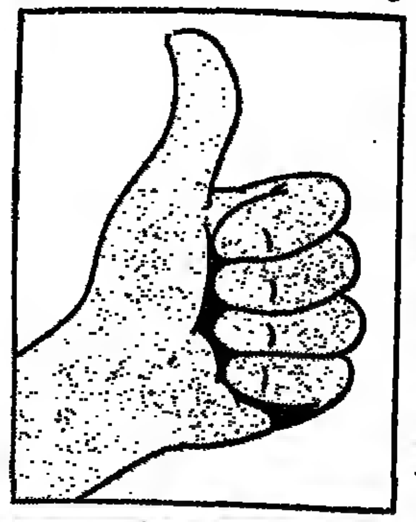
For: stability at stake



Herr Rosenthal: getting away from "them and us" attitudes.

As head of a company affected by co-determination I was for a long time opposed to it and put forward this view in public, even though I was a Social-Democratic member of Parliament.

My reasons at that time were the usual ones: that co-determination hindered, or at least delayed, the necessary management decisions, and that it politicized the supervisory board. If I have changed my mind on this issue, it is because of certain overriding considerations and practical experience.

Every social grouping, be it a country, a party, a club, or a family, remains stable only if at least a majority of its members feel themselves to be involved. Even in politics the ideal picture, with the citizens taking every political decision themselves, certainly never occurs.

Many of the decisions are delegated or determined by the subject matter. But in the end the citizen can decide who is to represent him and can also vote that person out. This participation, this having a say, is undervalued as a stability factor, while prosperity, of which we can never have enough, is overvalued.

A glaring example of this is the blacks in South Africa or Rhodesia. Their standard of living is substantially higher than in the black African states but they cannot participate and for this reason the situation remains explosive.

In the modern industrial state the employee's working life is more important than his political life and in most cases as important as his private life. Only when he feels that the decisions of his company are also his decisions, in other words that he can participate, will he identify himself with the company's goals and accept its necessities. Otherwise he will continue to think of them and us.

Co-determination thus has a double positive influence. First, the employee feels involved. Second, he appreciates the company's necessities. The trade unions in the industrial countries are permanently undecided whether they should ruthlessly extract, in nominal wage increases, what there is to be gained from the employers' fear of strikes or whether to regard the economic success of the employers as their own success as well.

A trade union representative who must himself participate in deciding whether to invest profits in rationalization, expansion and research or to squander those profits in higher wages, holiday money and failing to undertake uncomfortable rationalization measures acts differently from one who merely sees his role as one of confrontation. It is no accident that co-determination is a thorn in the flesh not only for reactionary employers but also for the revolutionary forces who regard industrial conflict as a means of abolishing private property from the economy.

In the face of these crucial overriding considerations, any disadvantages of co-determination in the form adopted by the Socialist-Liberal coalition—now even with the approval of the Conservative opposition—lose their force. Let us examine them.

In the first place the supervisory board in the German system has only a controlling function. Decisions are made, as they always have been, by the board of management. The latter will normally be appointed by a majority of the members of the supervisory board. This means that the managers will be appointed by the votes of at least some of the employees' representatives.

In the event of deadlock the chairman of the supervisory board, a representative of the shareholders, has the casting vote. A member of the board of management can thus be appointed, or have his contract extended, against the wishes of the employees. This will be exceptional because an effective member of the board of management will require a minimum of support from the workforce.

The same applies to the other decisions of the supervisory board, on investment and the adoption of the balance sheet. Here again the chairman has a casting vote, but its use will be exceptional because the pressure for an impartial compromise will be great.

The employees' representatives will not often allow themselves to block decisions that are important for the company, nor will a supervisory board chairman often take decisions against the wishes of the employees on his casting vote alone.

Since the deputy chairman of the supervisory board will always be a representative of the employees, the probability of agreement is great, not only in the nature of things but from a desire for cooperation. There remains the possibility that, for the reasons stated, decisions will not be taken or will be taken incorrectly.

The experience of the German coal and steel industry, in which there has been parity of co-determination since the war, shows (and this is not just my opinion, but that of a commission) that parity has essentially not hindered the taking of necessary decisions but that it has been possible to take these decisions without confrontation because of the cooperation of the employees.

A new feature of the coalition Government's model of co-determination is that the employees' side is not only composed of representatives of the industrial and clerical employees but also, proportionately, of one or more representatives of the company's senior staff. This is democratic and corresponds to the composition of the workforce.

The representative of the senior staff will in most cases undoubtedly have additional knowledge of and understanding for the necessities of the company. Since the representatives of the senior staff, although nominated by the senior staff are ultimately elected by the workforce, they are unlikely to incline towards the shareholders' side on principle.

The criticism of excessive trade union influence also seems unjustified. Only a maximum of a third of the members of the supervisory board are union representatives not employed by the company and even those must be elected by the workforce out of several names put forward. These outsiders correspond to the bankers and so on who are outsiders on the shareholders' side.

If the German system has shown itself to be more stable than others, particularly in a crisis, with significantly less time lost through strikes and with a lower rate of inflation because of the reasonable wages policy of the trade unions, then it is not least because of this third path between early capitalism and nationalization, through the participation of workers in ownership and through their say in the economy.

Philip Rosenthal
chairman, Philip Rosenthal AG and a former junior minister.

Against: danger to the company

M Roux: weakening the head of the firm.

To pass judgment on the countless systems of co-management or co-supervision being put forward it is essential to return to first principles. If the head of a company is accountable to his shareholders, he is no less answerable to the employees for the range of relations between the company and them, to his clients for the range of relations between the company and them, and to the state and local authorities for the relationship between the company and the public interest.

One of the main functions of the head of a company is to be on hand at any time to adjudicate between the interests in his charge, which are almost always mutually contradictory, at least in the short term. If his decisions consistently favour the various other interest groups to the detriment of the company, he will eventually cause the company to wither and die, doing a grave disservice to the interests of all concerned.

The question is therefore one of some form of institutionalization of the relationship between the management and employees. One of the formulas contemplated, co-management, seems attractive. It consists in modifying the present controlling and decision-making bodies in companies, on which only representatives of capital now sit, to bring in representatives of the employees.

In reality this formula involves three grave dangers. The underlying principle of co-management is that bringing together shareholders' and employees' representatives on a board of directors is the means by which their conflicting interests can be reconciled.

The first consequence of this formula would be to reduce the decision-making role of the head of the company and thereby weaken his position. But there is worse. Experience shows that this type of attempt at reconciliation through a collective institution leads either to the neutralization of position on both sides, paralysing the company, or to fruitful bargaining between the two sides leading to mutual concessions, where invariably disadvantage the only body which has no voice: the company.

To refer briefly to the serious repercussions of this formula on the appointment of the successors to our present managers: if they were to be appointed and dismissed by a body in which employees' representatives played a decisive role, they would be tempted to go out of their way to seek popularity among the employees and, having been elected, always to give a large measure of satisfaction to the employees' claims, to the disadvantage of other categories within and outside the company. Our free economy system would end on the day when company managements were no longer appointed and dismissed by capital.

In the face of these enormous difficulties, it is said in France that, while co-management may be undesirable, co-supervision would not involve the same risks. But are the reforms proposed healthy or unhealthy? If the former, they should be at least equally applicable to boards of managment as to supervisory boards; if the latter, they should not be introduced at any level.

In fact it is intended to make supervisory board companies compulsory in France by an ignominious procedure of establishing the system on a limited scale and then enforcing its general application. The plan is to abolish the traditional *société anonyme* in order to bring the economy into line with the German supervisory board system.

I am not in favour of this formula. Indeed, who today would dare impose such a solution? We have come a long way since the still recent days when many politicians saw it as the universal panacea, as witness the case of the Société Nationale d'Industrie Aéronautique et Spatiale (SNIAS) which, after only two years of operating with the fashionable two-tier supervisory and management board arrangement, was converted back into a conventional *société anonyme* by the Government in order to restore the company's unity of management and—essential in today's difficult conditions—to improve its efficiency. The state has abandoned the system, declaring it inefficient and out of keeping with unity of management, and yet there are those who would have it made compulsory.

We must resist to the last all formulas which seek to use co-management as a means of unionizing and paralysing the management of our companies.

Ambroise Roux
chairman and managing director, Compagnie Générale d'Electricité (CGE) and vice-president, Conseil National du Patronat Français

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some of the pie in the sky

continued from page 8

policy, Last year, for example, Alitalia did not depreciate its assets.

Value added for airlines is not as simple a concept as it is for car manufacturers. The price of a car remains the same whether the potential purchasor intends to use it for business or for pleasure. Airlines, on the other hand, have agreed between themselves to maintain a complex fare structure which has the effect of charging business travellers more than holiday-makers.

There are arguments in favour of such a policy. In other sectors, however, if restrictive practices are adopted, an investigation is made, either by national governments or under the competition rules of the EEC to ensure that they operate in the public interest.

Air travel does not appear to have been investigated in this way, although the British Civil Aviation Authority is "engaged in a major study of the present complicated structure of tariffs between the United Kingdom and Europe", and "has been particularly concerned to identify the costs of carrying different categories of traffic".

One might have thought that such an investigation would be the responsibility of the EEC. That body, however, *has* placed itself in a *Catch 22* situation. One council regulation applies its rules of competition to all sectors other than transport, while the one dealing with transport is confined to rail, road and inland waterways.

The Commission has been studying the question of sea and air transport for more than seven years, but the investigation does not appear to have been encouraged by the Council of Ministers and so far no conclusion has been reached. In 1973, however, the Court of Justice ruled that, in spite of the absence of a specific regulation, the general provisions of the Treaty of Rome and consequently the rules of competition applied to sea transport.

Presumably this is also true for air travel. If so article 89 of the treaty is operable. This places a duty on the Commission to examine cases of suspected infringement in the rules of competition. Perhaps because of the attitude of national governments, in air transport, the Commission does not appear to be anxious to perform its obligations.

If business fares are out of line with travel costs then adjustments should be made to our value added figures. Other corrections are also required for the social costs and benefits of airline operations. The most obvious such cost is the disturbance produced by aircraft noise, while if package holidays have made us more pro-European this would count as a benefit.

Besides productivity and value added, there are other measures of the efficiency of airlines. Three such would be punctuality, safety and the number of infringements of local noise regulations. Unfortunately, statistics on punctuality and noise are difficult to come by. The Association of European Airlines collects data on punctuality and regularity, but does not make this generally available. It is difficult to see why travellers should be denied this information.

Noise infringements also present a difficult problem. In Britain the Department of Trade and Industry collects data on noise infringements, but does not normally tabulate this by airline.

As a special exercise the department did produce figures for Heathrow covering January to August 1975. Unfortunately the figures have little meaning unless they are related to the numbers of landings and takeoffs, and the British Airports Authority treats this information as confidential. However, 1973 figures for British Airways have been published by the Civil Aviation Authority. It seems that during the period studied, British Airways was responsible for 55 per cent of the 1,900 noise infringement, although it made only 50 per cent or less of the aircraft movements. Of the other Europe airlines, Lufthansa had 13 infringements and Air France two. Alitalia and UTA were not listed.

The possibility of an aircraft accident is so low (one in more than 600,000 flights for IATA scheduled flights) that figures have to be summarized over a long period before any significant information can emerge. The magazine *Flight International* has tabulated aircraft accidents in which there was at least one fatality, by airline. The figures for passenger fatalities are too variable to have much meaning, but C. W. Smith and J. Taylor of British Airways made a tentative analysis of the magazine's statistics by country for the period 1960-72.

Their analysis suggested that three of the *Europn* countries had about the number of accidents that one would expect from their airlines' capacity and number of flights, but that France had more than the expected number. In 1973 and 1974, according to the *Flight International* statistics, France did not have any fatal aircraft accidents, so it is possible that if this analysis were repeated, it too would fall within the expected limits.

In addition to these measures the extent to which aircraft are used is also important. The most common indicator for this is the load factor. The overall load factor is the load carried expressed as a percentage of available capacity measured in tonne-kilometres. The passenger load factor is a similar measure based on seat kilometres. Another measure is the extent to which the airline succeeds in keeping its aircraft in the air, rather than on the ground. This has been shown in terms of kilometres per aircraft, rather than hours per aircraft, since customers pay for distance travelled rather than for flying time.

As a result of its successful freight operations, Lufthansa succeeded in having the highest overall load factor in spite of being the poorest performer on passenger traffic (table IV). In addition, it made better use of its aircraft than the other three companies which produced statistics on this aspect. British Airways, on the other hand, had the lowest overall load factor, and its aircraft flew only a 47-hour week, compared with UTA's 55-hour week, and a 67-hour one for Lufthansa.

Other things being equal, one would expect the efficient airlines to grow more rapidly. Growth rate, therefore, is partly a measure of efficiency. It is, however, affected by other factors such as the state of national economies, the routes the airlines operate and labour disputes. UTA was the best performer on this aspect when both passenger and freight traffic are taken into account. Alitalia and British Airways did less well than the other three airlines, British Airways' performance on freight and mail traffic being especially poor. Part of the reason for the poor 1974 performance would be the three-day week which disrupted the British economy at the beginning of the year and a labour dispute which disrupted the airlines' operations.

The figures for British Airways show the classic symptoms of the "British disease". The company is not less well equipped than the other airlines but it needs nine men to make 1,000 tonne-kilometres available, against Air France's eight and the other airlines' six and a half, and in spite of this extra manpower, it makes poorer use of its aircraft. Whether this is the result of inefficient management, restrictive practices, the airline's widespread route network or its recent evolution from BEA and BOAC, British Airways earns a lower value added per employee, and consequently can only afford to pay lower wages.

Furthermore, its rate of growth has been lower than that of its competitors. Alitalia's difficulties are rather different. Like British Airways it has a fairly low figure for value added per employee, and a low rate of growth. On the other hand, there is less evidence of overmanning, but the airline's profitability suffers from having the highest average personnel costs.

Presumably, this comes about from the application of high Italian social security payments to salaries at international levels. Furthermore, the airline's standard rates are reduced more heavily than those of the other companies. Lufthansa, on the other hand, has shown good growth, achieves high productivity and aircraft use and may suffer less from reduction of revenue.

In theory the rates airlines charge are controlled. However, special rates for charter traffic, stop-over and revenue sharing arrangements between airlines, and complicated rate structures for cargo as well as passenger flight, lead to the theoretical revenue being reduced. This question was studied by IATA which concluded that in 1973 on economy travel, their members only earned from 56 per cent of the scheduled fare for the Europe/North Atlantic crossing to 78 per cent for flights within Europe. The equivalent figures for freight were 30 per cent and 43 per cent. Judging from the extremely low figures shown in table VI, it would seem that the position in 1974, for the *Europa* airlines at least, may have been even worse.

Fares per kilometre tend to fall as the distance travelled increases, and our table tends to reflect this effect. Lufthansa, having at 1,400km, the shortest average passenger flight length, has the highest average rates, and UTA, with a flight length of 5,600km, has the lowest. Alitalia, however, has an average flight length of 1,700km and should rank second rather than fourth.

For journeys within Europe, airlines do not have a monopoly of the travel market. People can also make their journeys by train, car or sometimes by boat. In table VII we compare the cost of inter-city travel by aircraft and train. The journeys are listed in order of length. We have assumed that a businessman travelling by train would wish to occupy a first-class sleeper, but would be prepared to travel tourist class by aircraft.

This assumption, entailing an extra cost for single occupancy of sleeper compartments, is probably unfavourable to the rail journeys. Nonetheless, on the assumptions stated, air travel besides being quicker, also comes out as cheaper for the businessman with the exception of the Paris-Roma journey. The railways have made a special effort to attract travellers for this journey with their Palatino Express; this provides a very rapid journey for a fairly low inclusive price.

The second half of the table under the heading "excursion" shows rates based on the cheapest available scheduled return fares. Here it will be seen that aircraft journeys come out to be more expensive than those by train. This, however, does not take account of packaged holidays by the airlines which are more inclined to cut their rates to secure high load factors than are the railway companies.

One other peculiarity about this table is that air travel costs should fall more rapidly than rail travel as journey length increases, since the cost of setting down and picking up passengers is higher for aircraft than for trains. One would expect therefore that air travel prices would be less competitive than trains over the short journeys and more competitive over the longer ones. Examination of the percentage columns in table VII shows that *this is not the case.* The cost of train travel per kilometre tends to fall more sharply with distance than does that of air travel over these journeys.

The cost of train journeys to or from London is, of course, complicated by the Channel crossing, but the discrepancy is also to be found if the land journeys only are considered. Whether this is the result of artificial pricing policies by airlines or railways is the sort of question which the EEC could examine under its competition rules when they apply article 89 of the treaty to all modes of transport.

James Rothman

Table V

Rates of growth

	Passenger km flown		Freight & mail tonne-km carried	
	1974-73	1973-72	1974-73	1973-72
	%	%	%	%
UTA	14	15	14	33
Lufthansa	10	8	15	24
Air France	10	13	14	20
Alitalia	1	9	7	14
British Airways	−3	13	−2	10

Table VI

Average rates charged

	Passengers pence per km	% increase 1974-3	Freight pence per tonne/km	% increase 1974-73
Lufthansa	2.7	31	11.0	22
British Airways	2.2	22	12.4	16
Air France	2.1	16	10.6	15
Alitalia	2.0	18	9.9	13
UTA	2.0	15	10.8	32

TABLE VII

The cost of plane and train*

	Business† pence per km plane	Business† pence per km train	Plane/train (%)	Excursion‡ pence per km plane	Excursion‡ pence per km train	Plane/train (%)
London/Paris	8.3	13.2	63	3.8	4.6	86
Paris/Frankfurt	9.1	11.6	79	5.7	2.8	207
Frankfurt/London	6.5	9.3	70	4.7	3.5	140
Rome/Frankfurt	5.8	7.2	81	4.4	2.3	197
Paris/Rome	5.5	5.0	109	4.0	1.7	243
Rome/London	5.8	6.3	97	4.2	2.4	177

* *Based on fares and exchange rates at time of writing.*
† *Normal tourist air fare or first class sleeper by train.*
‡ *Cheapest scheduled return fare by air or train.*

Growth ●(●●)	After some seven months' acceleration industrial production has fallen back from a growth rate (for a full year) of 15 per cent in September to 10 per cent in November, which is still higher than that in Germany.
Prices O(OO)	From 8 per cent at the beginning of 1975 inflation rose to 9 per cent by the middle of the year but has come back down in October-November to about 7 per cent, halfway between the rates recorded in Germany and France.
Unemployment OO(OO)	There have been two successive falls in the unemployment figure, which has been reduced from 8.7 per cent of the working population in October to 8.3 per cent in December (against some 5 per cent in the European countries, but not directly comparable).
Productive capacity OO(OO)	The decline in the volume of investment from 1974 to 1975 is easing but is still far from being turned into a clear-cut rise.
Trade ●●(●●)	Since about July cover of imports by exports (calculated fob-fob in this case) has remained at a remarkably steady rate, in the region of 110 per cent to 115 per cent. The strong performance throughout 1975 will mean a record annual surplus of about $10,000m.
Influence on the four countries	Monetary and financial: In the United States there is another strong downward trend in interest rates with prime rate now at 6.75 per cent and Federal Funds at 4.5 per cent. Our four countries are being quick to follow suit, although there is a spread of rates in inverse ratio to the strength of their currencies: low in Germany, medium in France and Italy, still high in Britain. Economic: In theory lower interest rates should favour an improvement in investment both in the United States and in the European countries, but this has not yet materialized. However, the American economic recovery is having an influence on international trade, German exports in particular.

O Poor. OO Bad. ● Fairly good. ●● Good. ( ) Previous performance.

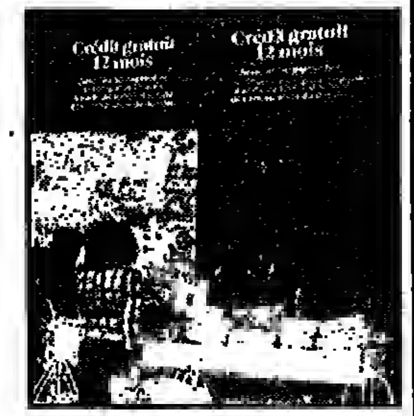
continued from facing page

ary phenomenon of stock replenishment, only two factors can lead to a really solid recovery and the investment which will follow: consumption and exports.

The former has shown some general development, although in consumer durables this may also have been because of replenishment or replacement of stocks. There is every possibility that this is true of the sales figures for cars and domestic appliances in the United States. France has seen a strong recovery by consumption since September with a rate of increase of some 8 per cent brought about largely by higher sales of cars and manufactured goods.

The trend is gradually working its way upstream to other sectors and is developing more swiftly in France than elsewhere, probably because workforces have been kept more or less stable (−2 or −3 per cent) and wages have risen sharply despite the serious decline in industrial production (−14 per cent). So it has been possible to maintain and even increase purchasing power.

But there *is another* side to this coin. There is a serious degree of latent unemployment which could come to the surface if the recovery is not swift enough. Second, there is the deterioration of French industry's competitive position, exacerbated by an overvalued franc, making exports more difficult and



There has been an 8 per cent increase in sales of consumer goods in France largely because of higher demand for cars and manufactured goods.

less likely to provide a base for reflation.

In Germany exactly the opposite circumstances prevail: workforces and wages have been compressed, consumption (although given a fillip by tax reductions) is developing more slowly and the main motive force behind the improvement of the economy is the flow of foreign orders. Since August this trend has been reflected by a clear-cut rise in the German surplus and in the rate of cover.

Because of the inter-relationship between consumption and imports and exports it is essential that the trend be maintained and gather momentum. The international multiplier is coming back into play, swelling production and incomes to the psychological and economic threshold at which refound confidence and almost full employment will bring renewed investment. Only then will it be possible to say that the recovery has well and truly taken a hold. Will it happen? What are the obstacles to be overcome?

One of the main obstacles is illustrated by the imbalance between France and Germany. France must manage to align itself on German prices and incomes while allowing the franc to fall a little (as has been realized recently). A similar difficulty also arises between the United States and those two partners.

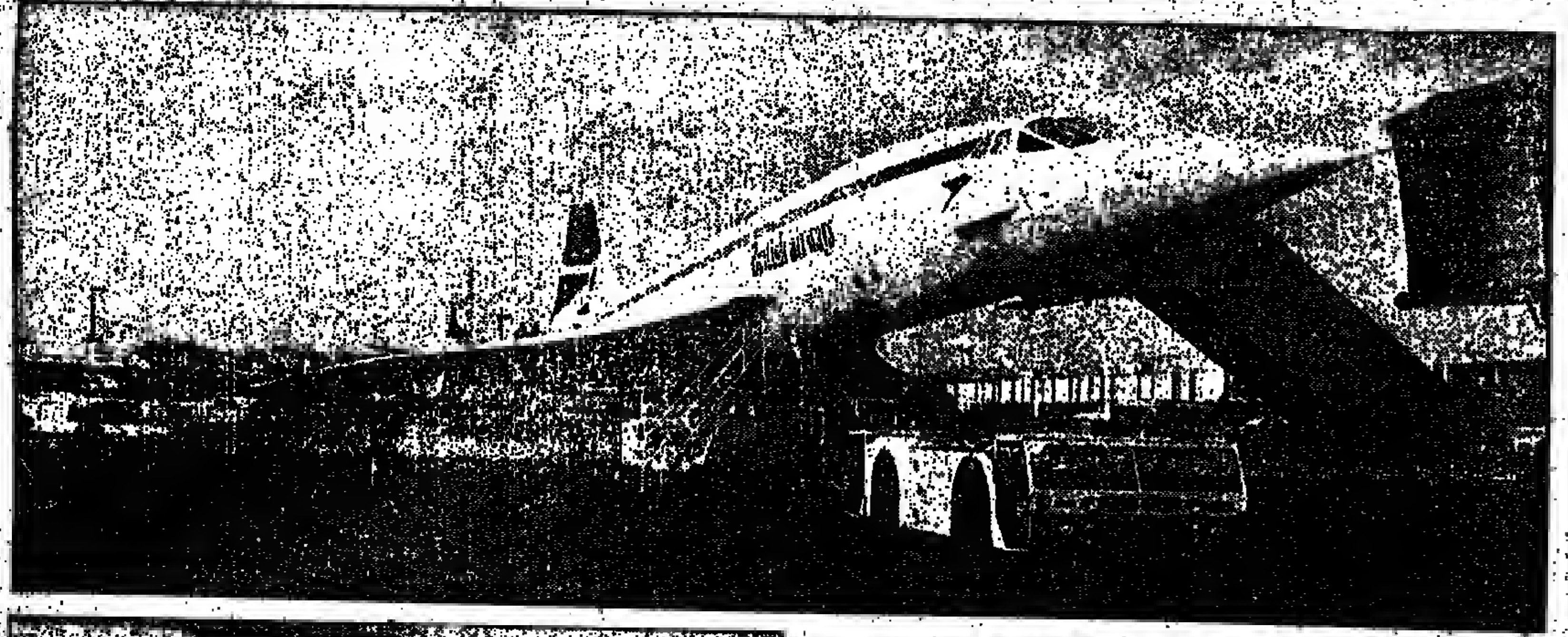
In the last analysis any return to stability is dependent upon the re-establishment of a proper balance between these three countries which, together with Japan, hold the key to the western economy. The rate of inflation in all three has stabilized in recent months, although at significantly different levels: 5 per cent in Germany, 7 per cent in the United States and 9 per cent in France. Accordingly, it is not possible to return to absolutely fixed parities.

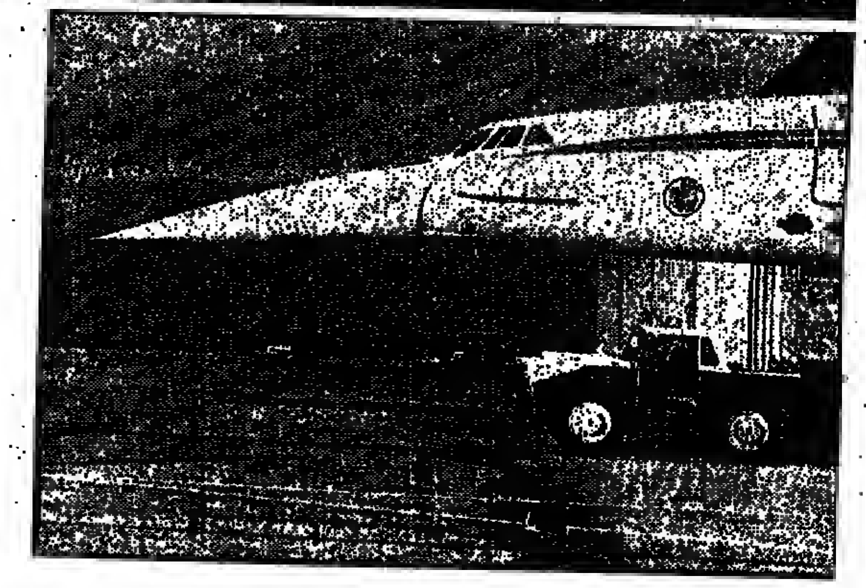
It will be necessary to continue to steer carefully towards gradual improvement, avoiding pitfalls such as protectionism or embargoes which, in the case of France in particular, could have a damaging effect on trade. It will not be easy. This is because, contrary to popular belief, in the United States the electioneering atmosphere and the divergences between the administration and the Congress do not make for prudent action born of a desire to restore the balance of international economic relations.

The future of the three key countries conditions the scope for recovery by the other two, Britain and Italy. But this will not be enough because their difficulties are also structural and political.

Maurice Bommensath

How Britain loses some of the pie in the sky





The latest influence in airline competition: Concorde, its crew and passengers prepare for the first commercial flights, from Heathrow and Charles de Gaulle airport. On the next page, a speed indicator registers more than twice the speed of sound. (London photographs, Bill Warhurst; Paris, Carlos Freire).

Airlines, like opera houses, are the sorts of things which most self-respecting countries feel they have to possess regardless of cost. Even if supersonic aircraft boost national prestige efficient operations are still more important.

This article compares the performances of the main airlines in the *Europa* countries, Air France, Alitalia, British Airways, Lufthansa and Union de Transports Aériens (UTA). British Caledonian might have been included but this company has not yet published its accounts for the year ended September 30 1974.

Airlines produce statistics which enable comparisons to be made in real terms unaffected by currency differences. Two such measures are for people, the passenger-kilometre, that is the number of revenue producing passengers multiplied by the distance they are transported, and for cargo such as freight and mail, the tonne-kilometre.

These two figures can be summed by converting passengers and their baggage into tonnes to produce an overall figure. This however is less meaningful since passengers cost more per tonne than cargo does. A further complication is that, judging from the statistics, 11.2 British passengers make one tonne, but it takes only 11 German ones to do this.

Table I shows that although British Airways is the largest passenger carrier and is the largest overall, Lufthansa in 1973 became the largest cargo operator. However, it carries fewer passengers than Air France and so ranks only third in overall terms.

Alitalia is less than two thirds the size of these two companies, and less than half the size of British Airways. UTA, the French private airline, comes at the end of the list, but none the less achieves a creditable share of the market for a private company. Like Lufthansa, it is more freight-oriented than the other airlines.

It should be remembered that our study is confined to airlines from Britain, France, Germany and Italy. KLM, for example, is larger than Alitalia and four other European state-owned airlines are larger than UTA.

Table II shows the turnovers and the value added during 1974 for the five airlines. Value added is the difference between the value of a firm's outputs and that of its inputs. Values have been converted to pounds sterling using the average daily rate of exchange during 1974.

The percentages in the third column show that British Airways is less reliant on external purchases of goods and services than the other airlines, which besides being smaller are members of cooperative groups such as Atlas. These groups cooperate on technical matters such as maintenance and the supply of spare parts.

The increase in fuel prices which has taken place since 1973 has had a dramatic effect on our airlines. For most the cost of fuel has increased from about 10 per cent or 11 per cent of turnover in 1973 to about 22 per cent or 23 per cent in 1974.

Value added as a percentage of turnover has fallen sharply. This can be seen by comparing the last two columns of the table. Lufthansa has been less affected than the other airlines because it has managed to keep its fuel costs as a percentage of turnover down to 18 per cent rather than 22 per cent or 23 per cent.

Table III compares the productivity of the airlines by listing them in order of value added per employee. UTA and Lufthansa have the highest level of productivity on this basis, with British Airways bringing up the rear.

The fact that this ranking matches that in table V showing rates of growth of the airlines suggests that one reason for these productivity differences may be that the more stagnant airlines, such as British Airways and Alitalia, have not yet been able to adjust their staff levels to the recent low rates of growth.

The carrying capacity of the airlines in terms of tonne-kilometres available per employee is shown in the second column of the table. This measures productivity in real terms, unaffected by the ability of the airline to sell its capacity.

The figures in the company accounts, with the exception of those for British Airways, do not allow for non-airline activities. These are fairly small for most of the airlines, but UTA does outside engineering maintenance and service work and gains nearly a third of its turnover from other activities. Air France gains about a sixth of its turnover from similar sources.

If it had not been for this, UTA might have had a higher productivity level in terms of capacity per employee than the other airlines. This would probably have been because of its special position as a long-distance carrier, having an average passenger journey length of 5,600 kilometres compared with 2,200 kilometres for Air France, the next highest company.

Alitalia does better on this measure than on value added per employee. This is because of the fairly low average rates at which it sold its capacity (table VI). The low load factor shown in table IV has also played a part.

It is interesting to compare the figures in table III with those which we found in previous studies on the car and chemical industries. Value added per employee is roughly the same as for the chemical firms, but fixed assets and staff costs are higher.

This may be because 1974 was a good year for the chemical companies, but a bad one for the airlines, which were heavily hit both by the increase in fuel costs and by a fall in the rate of growth of traffic, only 5 per cent overall compared to 10 per cent or more in previous years. As a result, all the airlines studied in this article, with the exception of Lufthansa, lost money.

Whatever the cause, the high figure for staff costs in relation to value added constitutes a worrying situation. The percentages shown in the last column are reminiscent of those found for car manufacturers.

Alitalia, like Chrysler UK and Citroën, is paying out more on behalf of its employees than it produces. Part of the reason for this is the high salaries paid to air crew. Even British Airways, which by international standards pays low salaries, had 842 United Kingdom staff in 1974 earning more than £10,000 a year. Of these 799 were pilots.

This compares with a figure of only 541 for ICI, a company having nearly three times as many United Kingdom employees.

As with the chemical and car companies, table III shows no relationship between productivity and investment, measured in terms of the book value of fixed assets per employee. The figure for Alitalia is exceptionally high. This is probably due to the airline's depreciation

continued on page 10

Table I

The airlines compared

	Passenger-km ('000m)	Freight and mail tonne-km (m)
British Airways*	24.2	840
Air France	16.9	700
Lufthansa	12.8	1,019
Alitalia	10.3	450
UTA	3.1	241
Total	67.3	3,250

* *All British Airways figures are for March 31, 1974, to March 31, 1975.*

Table II

Turnover and value added

	1974 Turnover (£m)	1974 Value added (£m)	1974 Value added/ turnover percent	1973 Value added/ turnover percent
British Airways	748	372	50	62
Air France	510	220	43	58
Lufthansa	508	205	40	44
Alitalia	271	107	40	53
UTA	126	51	41	46

Table III

Airline productivity

	Per employee: Value added £	Tonne/km available	Fixed assets* £	Personnel costs £	Personnel costs/ value added
UTA	8,900	158	6,500	6,700	75%
Lufthansa	8,500	154	9,600	6,700	79%
Air France	7,300	126	7,400	6,600	90%
Alitalia	6,800	156	14,500	7,000	104%
British Airways	6,300	109†	8,800	4,800	76%

* *Average between start and end of year.*
† *99 if based on all employees instead of airline only.*

TABLE IV

Use of aircraft—1974

	Overall load factor (%)	Passenger load factor (%)	Km flown per aircraft (m)
British Airways	55.4	58.8	1.4
Air France	58.2	59.2	1.4
Lufthansa	58.4	54.4	2.1
Alitalia	56.5	56.2	1.5
UTA	56.8	59.3	1.6*

* *Estimated from hours flown*